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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the
Ohio Department of Development for
an Order Approving Adjustments to the
Universal Service Fund Riders of
Jurisdictional Ohio Electric Distribution
Utilities.

Case No. 08-658-EL-UNC

TESTIMONY

OF

DONALD A. SKAGGS

ON BEHALF OF
THE OHIO DEPARTMENT OF DEVELOPMENT

October 31, 2008

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TESTIMONY OF DONALD A. SKAGGS
On Behalf of The Ohio Department of Development

1 **Q. Please state your name and business address.**

2 A. My name is Donald A. Skaggs. My business address is Ohio Department of
3 Development ("ODOD"), 77 South High Street, 25th Floor, Columbus, Ohio 43216-
4 1001.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by ODOD in its Office of Community Services ("OCS") as Assistant
7 Office Chief.

8 **Q. Please briefly describe your educational background and employment experience.**

9 A. I have a B.A. from Miami University and an M.S.W. from the University of Michigan. I
10 have been employed by the state of Ohio for thirty-two years, twenty-five of which have
11 been with ODOD. Most of my professional experience has been concentrated in the
12 areas of program evaluation and program management. Prior to being named Assistant
13 Office Chief earlier this year, I was the OCS Research and Planning Manager. In that
14 capacity, I was responsible for the procedures that enable OCS to meet the compliance
15 requirements of various federal programs, and was also responsible for the management
16 of large data bases, data analyses, and preparing related reports. During the
17 administration of Governor Voinovich, I served two years as an Executive on Loan to the
18 Governor's Office of Family and Children First.

19 **Q. What are your duties and responsibilities as OCS Assistant Office Chief?**

20 A. As Assistant Office Chief, I am responsible for the management of several programs,
21 including the electric Percentage of Income Payment Plan ("PIPP") program, the Home

1 Weatherization Assistance Program, the Electric Partnership Program, and the
2 Community Services Block Grant program.

3 **Q. What is your role with respect to the electric PIPP program?**

4 A. Since the legislature assigned ODOD responsibility for administering the Universal
5 Service Fund ("USF") and the electric PIPP program in 1999, I have been the ODOD
6 staff person primarily responsible for developing the USF monthly reporting procedures
7 for the electric distribution utilities ("EDUs") and calculating the USF riders that ODOD
8 has proposed for each EDU. I prepared the exhibits which were submitted with ODOD's
9 prior USF filings in the electric transition plan ("ETP") cases where the initial USF riders
10 were established and in each subsequent annual USF rider rate adjustment application
11 (Case Nos. 01-2411-EL-UNC, 02-2868-EL-UNC, 03-2049-EL-UNC, 04-1616-EL-UNC,
12 05-717-EL-UNC, 06-751-EL-UNC, 07-661-EL-UNC), as well as those attached to
13 ODOD's application in this case.

14 **Q. Have you previously testified before this Commission?**

15 A. Yes. I submitted written testimony in support of ODOD's application in each of the
16 annual USF rider rate adjustment proceedings identified in my previous answer. I also
17 presented written and oral testimony in the Notice of Intent ("NOI") phase of Case No.
18 05-717-EL-UNC in support of ODOD's position on various issues.

19 **Q. What is the purpose of your testimony in this proceeding?**

20 A. The purpose of my testimony is to explain the basis upon which the proposed USF riders
21 that are the subject of this application were calculated.

1 **Q. Why is it necessary for ODOD to seek the adjustments to the USF riders at this**
2 **time?**

3 **A. The stipulation entered into by the parties in Case No. 07-661-EL-UNC required ODOD**
4 **to file, not later than October 31, 2008, an application for approval of such adjustments to**
5 **the riders as are necessary to assure, to the extent possible, that each EDU's rider will**
6 **generate its associated revenue requirement – but not more than its associated revenue**
7 **requirement – during the next annual collection period. As indicated in the application,**
8 **ODOD has determined that, on an aggregated basis, the total pro forma annual revenue**
9 **that the current USF riders would generate will be insufficient to provide adequate**
10 **funding for the low-income customer assistance and consumer education programs and to**
11 **cover their associated administrative costs during the 2008 collection period. However,**
12 **while the pro forma revenues that would be generated by the current USF riders of the**
13 **Dayton Power and Light Company ("DPL"), Ohio Edison Company ("OE"), and Toledo**
14 **Edison Company ("TE") will fall short of the revenue targets ODOD's analysis indicates**
15 **are now appropriate for these EDUs, the current USF riders of The Cleveland Electric**
16 **Illuminating Company ("CEI"), Columbus Southern Power Company ("CSP"), Duke**
17 **Energy Ohio ("Duke"), and Ohio Power Company ("OP") would over-recover those**
18 **companies' USF rider revenue responsibility during the collection year. By its**
19 **application, ODOD seeks an order from the Commission directing each EDU to adjust its**
20 **USF rider rate accordingly.**

21 **Q. What factors contribute to the need to adjust the USF riders?**

1 A. Generally speaking, the need to adjust the riders is primarily attributable to two separate
2 factors. First, because the current riders are based on historical Kwh sales, they will not,
3 in actual practice, generate the level of revenue they were designed to produce on a pro
4 forma basis. Although one would never expect test-period sales to be identical to sales in
5 the collection period, updating the sales volumes to reflect the more recent experience of
6 each company should, all else being equal, produce a more representative result. Second,
7 the USF rider revenue requirement for each company has also changed from the revenue
8 requirements the Commission found to be reasonable in Case No. 07-661-EL-UNC.
9 These changes are due to a number of factors, including, among other things, changes in
10 the cost of PIPP resulting from increases in PIPP enrollment experienced by the various
11 EDUs and changes in the EDUs' collection experience. Thus, the USF rider rates must
12 be adjusted if they are to recover their related revenue requirements, but no more than
13 their related revenue requirements, over the 2009 collection period.

14 **Q. How was the USF rider revenue requirement target for each EDU determined?**

15 A. As described in the application, the annual revenue requirement which the proposed USF
16 riders are designed to generate consists of eight elements: (1) the cost of PIPP, (2) the
17 cost of targeted energy efficiency programs and the consumer education programs, now
18 referred to by ODOD collectively as the Electric Partnership Program ("EPP"), (3) the
19 allowance for ODOD's PIPP-related administrative costs, (4) an allowance to recognize
20 the projected EDU December 31, 2008 USF account balances, (5) an allowance to fund a
21 reserve, (6) an allowance for interest costs, (7) an allowance for undercollection, and (8),
22 an allowance for the cost of EDU audits. As indicated in the application, ODOD has

1 used a calendar 2008 test period for purposes of the USF revenue requirements analysis.
2 As in prior cases, ODOD has utilized actual data through August of the test period, and
3 has projected the results for those months of the test period for which information was
4 not available at the time the application was prepared by substituting data from the
5 corresponding months of the previous year. Although this is simply another way of
6 saying that ODOD has utilized the most recent twelve months of actual data available at
7 the time the application was prepared for purposes of the test period analysis, it is
8 conceptually appropriate to consider calendar 2008 as the test period for reasons
9 discussed below.

10 **Q. Is ODOD's methodology for determining the USF rider revenue requirement**
11 **proposed in the application in this case generally consistent with the methodology**
12 **previously approved by the Commission in prior USF rider adjustment cases?**

13 A. Yes. The revenue requirement methodology used in preparing this application is
14 generally consistent with that approved in prior USF rider rate adjustment proceedings.
15 Moreover, it is identical to the methodology approved by the Commission in its
16 September 10, 2008 finding and order in the NOI phase of this proceeding.

17 **Q. How was the cost of PIPP component of the USF rider revenue requirement**
18 **calculated for purposes of this case?**

19 A. The cost of PIPP represents the total cost of electricity consumed by each EDU's PIPP
20 customers during the test period, plus pre-PIPP balances, less all payments made by and
21 on behalf of PIPP customers, including USF rider collections and agency payments, over
22 the same period. The information necessary to perform this calculation comes from the

1 USF Monthly Report and Remittance forms (USF-301) and the USF Monthly
2 Reimbursement Request forms (USF-302), the documents the EDUs use to report the
3 USF rider collections remitted to ODOD and to request reimbursement from the USF for
4 the cost of electricity delivered to PIPP customers. As in prior cases, ODOD used the
5 unadjusted actual data for the most recent twelve months for which information was
6 available at the time the application was prepared to calculate the test-period cost of
7 PIPP. The workpapers showing the calculation for each EDU are attached as Exhibits
8 DAS-1 through DAS-7 to my testimony. The resulting test-period cost of PIPP
9 components for each EDU are shown in Exhibit A to the application. However, in this
10 case, the use of the test-period cost of PIPP numbers will not produce the appropriate
11 allowance for this element of the USF rider revenue requirement of all the EDUs.

12 **Q. Please explain.**

13 **A.** During 2008, various elements of DPL's tariffed rates for electric service were adjusted
14 pursuant to orders of this Commission. Although these rate adjustments change the cost
15 of electricity delivered to PIPP customers, they do not change the level of PIPP customer
16 payments because those payments are based on fixed, specified percentages of customer
17 income and are not tied to the rates charged. Thus, an increase in an EDU rate element
18 increases the cost of PIPP by widening the gap between the cost of electricity delivered to
19 PIPP customers and the amount paid by PIPP customers. On the other hand, a decrease
20 in a rate element reduces the cost of PIPP by narrowing this gap. Because the DPL rate
21 changes to which I referred were not in place throughout the test-period, it is necessary to
22 adjust the test-period cost of electricity delivered to PIPP customers to annualize the

1 impact of these rate changes. Otherwise, the test period cost of PIPP will not reflect the
2 annual revenue requirement that must be recovered through this component of DPL's
3 USF rider rate.

4 **Q. What adjustments to DPL's actual test-period cost of PIPP have you made to**
5 **recognize the changes to DPL's tariffed rate elements during 2008?**

6 A. DPL has reported that there were three Commission-approved rate changes during 2008.
7 The first, an increase in its environmental investment rider effective January 1, 2008,
8 was, in fact, recognized through a post-test period adjustment in last year's case (Case
9 No. 07-661-EL-UNC, Amended Application, Exhibit A.1), so no adjustment is required
10 in this case. The other two 2008 changes were an increase in DPL's PJM administration
11 fee recovery mechanism effective May 1, 2008 and the withdrawal of DPL's storm cost
12 recovery rider near the end of July 2008. Although the impact of these changes is
13 captured in the reported actual data for May through August 2008 in the case of the PJM
14 administrative fee, and the reported actual data for August 2008 in the case of the
15 withdrawal of the storm cost recovery rider, the data for the other months of the test
16 period, including the surrogate months of September through December 2006, do not
17 reflect these changes. The annualization adjustments for these changes are shown in
18 Exhibits A.1.a and A.1.b of the application.

19 **Q. Are any other adjustments to DPL's cost of PIPP required as a result of changes in**
20 **DPL's rates?**

21 A. Yes. DPL's environmental investment rider will again increase on January 1, 2009. In
22 addition, DPL's current residential generation discount will expire on December 31,

1 2008, which means that the price of residential generation service will be higher
2 effective January 1, 2009. Although these rate changes are outside the calendar 2008 test
3 period, these are known and measurable changes that must be recognized if DPL's USF
4 rider is to recover the cost of PIPP during the 2009 collection period. The adjustments
5 for these changes are shown in Exhibits A.1.c and A.1.d of the application. The
6 Commission approved similar post-test period adjustments in Case No. 06-751-EL-UNC
7 and Case No. 07-661-EL-UNC.

8 **Q. Have any other EDU's reported rate changes that occurred in 2008?**

9 A. No. However, ODOD is aware that the other EDUs currently have ESP cases pending
10 before the Commission and that some level of rate increases will undoubtedly be
11 authorized effective January 1, 2009 or thereafter as a result of these cases. Because the
12 amount of these rate increases is unknown at this time, it is not possible to incorporate
13 their effects in determining the USF rider revenue requirement of these EDUs at this
14 juncture. Further, because the new USF rider rates approved in this proceeding will be
15 effective with the January 2009 EDU billing cycles, it appears unlikely that orders will be
16 issued in the ESP cases in time for ODOD to address the impact of the rate increases
17 through an amended application in this case. Thus, it appears that it will be necessary for
18 ODOD to file a supplemental application in early 2009 to seek an adjustment in the USF
19 rider rates to reflect these increases.

20 **Q. After performing the adjustments for the DPL rate changes you have described,**
21 **what allowance for the cost of PIPP do you recommend for inclusion in the USF**
22 **rider revenue requirement of each of the EDUs?**

1 A. The proposed cost of PIPP components of the respective EDU revenue requirements are
2 shown in the Adjusted Test-Period Cost of PIPP column in Exhibit A.1 to the application.

3 **Q. How was the proposed allowance for the cost of the Electric Partnership Program**
4 **determined?**

5 A. This USF rider revenue requirement component is intended to recognize the cost of the
6 low-income customer energy efficiency and consumer education programs which are
7 funded through the USF. In all previous USF rider adjustment cases, the Commission
8 has accepted the \$14,946,196 EPP allowance first proposed by ODOD when the initial
9 USF riders were established in the ETP proceedings. However, as a part of a settlement
10 agreement entered into with the Office of the Ohio Consumers' Counsel ("OCC") in the
11 NOI phase of Case No. 05-717-EL-UNC, ODOD agreed that in future USF rider rate
12 adjustment proceedings, ODOD would base its proposed allowance for EPP costs on its
13 projection of payments to EPP providers and the administrative costs associated with
14 ODOD's oversight of the EPP program during the collection period.

15 **Q. What has ODOD projected these costs to be for the 2009 collection period during**
16 **which the USF rider rates set in this case will be in effect?**

17 A. As shown in Exhibit A to the NOI submitted in this proceeding, ODOD's analysis for
18 2009 supported the use of the same \$14,946,196 annual allowance for these costs that the
19 Commission has accepted in all prior USF rider rate adjustment proceedings.

20 **Q. Did the Commission approve the \$14,946,196 allowance for EPP costs in the NOI**
21 **phase of this case?**

1 A. Yes. However, the stipulation adopted by the Commission in its September 10, 2008
2 finding and order in the NOI phase of this case provided that, as indicated in the NOI,
3 ODOD would adjust the proposed allowance for EPP costs if updated projections
4 suggested that \$14,946,196 allowance was no longer appropriate. The stipulation also
5 provided that ODOD would address questions raised by OCC in its objections to the NOI
6 relating to the projected indirect costs and outside consultant costs included in the EPP
7 analysis supporting the proposed allowance for EPP costs presented in Exhibit A to the
8 NOI.

9 **Q. What was the basis for OCC's objection relating to indirect costs?**

10 A. In Exhibit A to the NOI, ODOD presented a table showing, by cost category, the actual
11 EPP expenditures for FY 2006, FY 2007, and FY 2008 (year-to-date), as well as a
12 column headed "FY 2009 Budget" that showed projected expenditures for each of the
13 EPP line items for FY 2009. In its objections, OCC pointed out that the line item for
14 Indirect Costs in the FY 2009 Budget column of \$616,080 greatly exceeds the historical
15 level of these costs and questioned the reason for this difference.

16 **Q. Can you explain this difference?**

17 A. Upon investigation, I have determined that the \$616,080 shown for Indirect Costs was
18 incorrect. As explained in detail in the testimony of ODOD witness Nick Sunday, the
19 Ohio Department of Administrative Services ("DAS") periodically determines a
20 specified percentage of total payroll that OCS must pay to DAS for overheads. Applying
21 the current DAS percentage of 42.10 percent to the projected EPP Payroll amount of

1 \$538,046.09 shown in the FY 2009 Budget produces an indicated value for Indirect Costs
2 of \$226,517.

3 **Q. How did this error occur?**

4 A. In NOI Exhibit A, ODOD pointed out that its proposed \$14,946,196 allowance for EPP
5 costs was consistent with the annual appropriation authorization for FY 2009 sought by
6 ODOD for inclusion in the state biennium budget for the 2008 and 2009 fiscal years.

7 Although not mentioned in the NOI EPP exhibit in this case, Exhibit A to the NOI in
8 Case No. 07-661-EL-UNC indicated that the requested appropriation, which was
9 ultimately approved, was \$15 million for each of the two years. The narrative following
10 the table in NOI Exhibit A implies that the FY 2009 Budget column contains the same
11 details that were developed in 2007 to support the FY 2009 appropriations request.

12 However, this is not the case. The individuals that prepared the FY 2009 EPP
13 appropriation request in 2007 are no longer with ODOD, and the original details could
14 not be located. Thus, ODOD attempted to reconstruct the original projection of FY 2009
15 EPP costs, and, in the process, updated the estimates in certain of the cost categories to
16 reflect more current information. The individual that was assigned this task is no longer
17 with ODOD. Although I have not been able to replicate his calculation of the amount for
18 Indirect Costs, he apparently either used the wrong payroll base or included costs that
19 should have accounted for in a different category.

20 **Q. Does this error change your opinion as to the reasonableness of the allowance for**
21 **EPP costs requested in this case?**

22 A. Absolutely not.

1 **Q. Why not?**

2 **A.** First, it has never been ODOD's intention to suggest that the allowance for EPP costs
3 approved by the Commission should be set at a level equal to the FY Budget amount
4 presented in its EPP cost exhibit, and, in fact, the Commission has not done so in prior
5 cases. Although I will not repeat the explanation here, the narrative in NOI Exhibit A
6 sets out a number of factors, the effects of which cannot be quantified at this time, which
7 support a conclusion that the necessary allowance for EPP costs will be greater than the
8 projected EPP costs shown in the FY 2009 Budget column. Second, although the
9 projected FY 2009 Budget Indirect Costs shown on the table are overstated by some
10 \$390,000 due to the error I described, there is some \$70,000 in unbudgeted contract costs
11 not shown in FY 2009 Budget column that will be incurred during the period, which
12 narrows the difference resulting from the use of the erroneous figure for Indirect Costs.
13 Finally, after correcting the Indirect Costs error and adding the \$70,000 in known
14 unbudgeted contract costs, the projection of quantifiable FY 2009 EPP costs is still in
15 excess of \$14,580,000, which, when coupled with the impact of the factors discussed in
16 NOI Exhibit A, clearly supports the reasonableness of the continuation of the
17 \$14,946,146 allowance for EPP costs approved by the Commission in all prior USF rider
18 rate adjustment cases. Indeed, the Commission approved this allowance in Case No. 07-
19 661-EL-UNC even though the FY 2008 Budget amount presented in NOI Exhibit A in
20 that case showed quantifiable projected costs of \$14,132,697, which is obviously well
21 below the corrected quantifiable costs identified above.

22 **Q.** **What was the issue OCC raised in its objections with respect to consultant costs?**

1 A. In Exhibit A to the NOI, ODOD noted that, consistent with the EPP objective of reducing
2 electrical consumption of the targeted low-income population, ODOD had engaged an
3 outside consultant to assist it in its efforts to assure the cost effectiveness of the program.
4 In its objections, OCC complained that the consultant was not identified, that the purpose
5 for which the consultant was retained was not explained, that cost of the consultant was
6 not quantified, and that there was no indication of which line item in the NOI Exhibit A
7 table included the cost. OCC also inquired as to the amount of the cost for consultant that
8 ODOD would seek to recover from customers through the USF rider rates and asserted
9 that a process should be established for review of the consultant's findings by the parties
10 to the case. Although ODOD supplied much of the requested information to OCC
11 informally shortly after its objections were filed, I will address these questions in this
12 testimony so that the responses will be in the public record.

13 **Q. Please proceed.**

14 A. Since the inception of the EPP, ODOD has routinely engaged independent consultants to
15 evaluate the program impacts, including the cost-effectiveness and environmental
16 impacts of the program. The last such evaluation was completed in 2006, and resulted in
17 a finding that the EPP did, in fact, generate a net savings. In April 2008, ODOD retained
18 consultant Michael Blasnick to perform another such evaluation. The fee for his services
19 of \$47,920 will be paid upon receipt of his report, which is expected to be completed in
20 June 2009. This amount is shown in the Contract Services category in the FY 2009
21 Budget column in the table in Exhibit A. Thus, the cost of the evaluation is captured in
22 the proposed allowance for EPP costs, and will be recovered from ratepayers through this

1 element of the USF rider rates. ODOD has no objection to providing the report to
2 interested parties once it is submitted, and, as in the past, will post the report on the
3 ODOD website and will provide the report to the Public Benefits Advisory Board.
4 Consistent with past practice, meetings will be held with EPP stakeholders, including
5 members of the USF Rider Working Group, to discuss the consultant's findings.

6 **Q. How has ODOD allocated the EPP costs among the EDUs?**

7 A. As in all prior USF rider rate adjustment applications, ODOD has allocated this
8 component of the revenue requirement among the EDUs based on the ratio of their
9 respective costs of PIPP to the total cost of PIPP. The development of the allocation
10 factors and the results of the allocation are shown in Exhibit B to the application.

11 **Q. What allowance for PIPP-related administrative costs has ODOD proposed for**
12 **inclusion in the USF rider revenue requirement in this case?**

13 A. ODOD has proposed an allowance for PIPP-related administrative costs of \$2,021,589.
14 The basis for the proposed allowance is explained in the testimony of ODOD witness
15 Nick Sunday.

16 **Q. How has ODOD allocated the administrative cost component of USF rider revenue**
17 **requirement among the EDUs?**

18 A. As in all previous USF rider rate adjustment applications, ODOD has allocated
19 responsibility for the administrative costs to the EDUs based on the relative number of
20 PIPP customers. Specifically, as shown in Exhibit C to the application, this revenue
21 requirement component has been allocated among the EDUs based on the number of

1 PIPP customer accounts as of April 2008, the test-period month exhibiting the highest
2 PIPP customer account totals.

3 **Q. You have identified the projected December 31, 2008 USF account balance as an**
4 **element of the EDU's USF rider revenue requirement. Why is this component**
5 **included?**

6 **A. The USF rider rate is calculated with reference to historical annual Kwh sales. Because**
7 **actual sales will vary from sales during the test period, and because other factors bearing**
8 **on the cost of PIPP also change, the EDU's rider rate will, in actual practice, either over-**
9 **recover or under-recover its associated revenue requirement during the collection period.**
10 **All else being equal, over-recovery will result in a positive year-end USF account balance**
11 **for the EDU in question, while under-recovery will create a negative balance. A positive**
12 **USF account balance reduces the amount needed to satisfy the USF rider revenue**
13 **requirement on a going-forward basis, while a negative balance means that there will be**
14 **insufficient cash available for ODOD to make the monthly PIPP reimbursement**
15 **payments due the EDU in question. To synchronize the new USF rider with each EDU's**
16 **existing USF account cash position, the revenue target must be adjusted by the amount of**
17 **the USF account balance as of the rider's effective date. Thus, a positive balance must be**
18 **deducted from the revenue requirement, while a negative balance must be added to the**
19 **revenue target the rider is designed to generate. Because ODOD is requesting that the**
20 **proposed USF riders be made effective January 1, 2009 on a bills-rendered basis, I have**
21 **adjusted each EDU's rider revenue target by the amount of the EDU's projected**
22 **December 31, 2008 USF account balance. The adjustments are displayed in Exhibit D of**

1 the application. The workpapers showing the calculation of the projected December 31,
2 2008 balances are attached to my testimony as Exhibits DAS-8 through DAS-14.

3 **Q. Has the Commission previously approved the inclusion of this element in**
4 **determining the target revenues the proposed USF rider rates must be designed to**
5 **generate?**

6 **A.** Yes. The Commission has approved this synchronizing adjustment in establishing the
7 USF riders in all previous USF rider adjustment cases, and has again accepted this
8 methodology in its September 10, 2008 finding and order in the NOI phase of this case.

9 **Q. If this component of the USF rider rate remains in effect for longer than one year,**
10 **would not an EDU with a projected December 31, 2008 USF PIPP account balance**
11 **deficit begin to over-recover its USF rider revenue requirement?**

12 **A.** Because the component reflecting a December 31, 2008 deficit will be recovered on an
13 annual basis, the recovery will, in theory, be complete after the new USF rider has been
14 in place for one year. On the other hand, an EDU with a positive projected December 31,
15 2007 balance will, in theory, have paid this surplus back to ratepayers by the end of the
16 collection year. This means that, all else being equal, the allowance for this revenue
17 requirement element should come out of their USF riders at that time.

18 **Q. Is ODOD proposing that the USF riders be automatically adjusted on January 1,**
19 **2010 to recognize that the amortization of the December 31, 2008 balances, whether**
20 **negative or positive, will have been completed at that time?**

21 **A.** No. Although ODOD will be monitoring the monthly EDU USF balances very closely,
22 ODOD will also continue to examine all the other elements of the USF rider revenue

1 requirement, and will keep a watchful eye on whether, in practice, riders are generating
2 the necessary level of revenue. Rather than proposing an automatic adjustment for one
3 component of the USF riders on the anniversary date, ODOD believes the better approach
4 is to revisit all elements of the rider before January 1, 2010, so that, if it reasonably
5 appears that additional adjustments are required, all proposed adjustments can be
6 incorporated in a single filing with the Commission. Thus, while ODOD agrees that the
7 component reflecting the December 31, 2008 PIPP USF account balance, whether
8 negative or positive, should be eliminated once the balance has been fully amortized, that
9 adjustment should be made in the context of this broader evaluation. Indeed, the parties
10 to the stipulations in all previous USF rider adjustment cases, in requiring that ODOD file
11 a new application on or before October 31, recognized that this annual review process is
12 necessary. ODOD continues to support this approach.

13 **Q. What is the purpose of including an allowance to create a reserve as a USF rider**
14 **revenue requirement component?**

15 **A.** As described in the application, ODOD has entered into agreements with each EDU that
16 provide that ODOD will be assessed a carrying charge on all monthly payments
17 reimbursing the EDU for cost of electricity delivered to PIPP customers which do not
18 arrive by the specified due date. Because of the weather-sensitive nature of electricity
19 sales and certain other factors, such as PIPP enrollment behavior, PIPP-related cash flows
20 fluctuate significantly over the course of the year. These fluctuations will result in
21 negative PIPP USF account balances in some months, which will mean that ODOD will
22 be unable to satisfy its monthly payment obligation to the EDU on a timely basis and

1 will, therefore, incur carrying charges in those months. The graph attached to the
2 application as Exhibit E plots the consolidated net PIPP USF account balance throughout
3 the year. Any USF rider revenues ODOD must pay out in carrying charges will impair
4 its ability to fund the low-income customer assistance and consumer education programs
5 and pay their administrative costs. Thus, ODOD is again proposing that a component be
6 included in the USF rider revenue target to fund a reserve that can be drawn upon to
7 reduce ODOD's liability for these carrying charges over the coming year.

8 **Q. Does this reserve component of the USF rider revenue target serve a different**
9 **purpose than the component that recognizes projected EDU December 31, 2008**
10 **PIPP USF account balances?**

11 **A.** Yes. A deficit EDU December 31, 2008 account balance represents an existing shortfall
12 which must be remedied if the USF fund is to have the cash necessary to fulfill the
13 purposes for which it was created on a going-forward basis, while a positive EDU
14 December 31, 2008 account balance represents an amount that must be returned to
15 ratepayers. Thus, the December 31, 2008 account balance element is, in essence, a true-
16 up mechanism. The reserve, on the other hand, is intended to mitigate ODOD's future
17 liability for carrying charges which would otherwise result from its inability to reimburse
18 EDUs on a timely basis in certain months for the cost of electricity furnished to PIPP
19 customers. Thus, revenues that have been generated and retained for the purpose of
20 establishing the reserve are not deducted as a part of the synchronizing adjustment for
21 those EDUs with a positive projected December 31, 2008 USF account balance.

1 **Q. Was an allowance to create a cash reserve included in developing the revenue target**
2 **for the USF riders approved in previous USF rider rate adjustment cases?**

3 A. Yes. However, as I have explained in my testimony in previous cases, the methodology
4 used to fund the reserve has changed over time. Although recognizing the need for a
5 reserve early on, ODOD, in an attempt to minimize the impact on ratepayers, proposed a
6 very conservative mechanism for funding the reserve in the first five USF rider
7 adjustment cases. Despite a tweak to the original methodology in Case No. 03-2049-EL-
8 UNC, it eventually became apparent that the reserve could not be fully funded under this
9 approach due to dramatic year-to-year increases in the cost of PIPP. These increases
10 meant that the cost of PIPP components of the approved USF riders, which were
11 calculated based on historical test-period data, were not generating the revenues sufficient
12 to cover the actual cost of PIPP during the collection period. As a result, ODOD was
13 forced to utilize the USF rider revenues earmarked for the reserve, as well revenues
14 earmarked for other purposes, to meet its reimbursement obligations to the EDUs on a
15 timely basis during months in the collection period in which negative cash flows were at
16 their highest levels.

17 **Q. What did ODOD do to address this problem?**

18 A. In its application in the 2006 case, ODOD abandoned the ineffective methodology it had
19 previously employed and proposed to calculate the reserve component based on the
20 highest monthly deficit for each EDU during the test period. The Commission approved
21 this approach in Case No. 06-751-EL-UNC and, again, in Case No. 07-661-EL-UNC.

22 **Q. Has ODOD utilized this same method for funding the reserve in this case?**

1 A. Yes. In the NOI, ODOD again proposed basing the allowance for this element of the
2 USF rider revenue requirement on the highest projected monthly deficit for the EDU in
3 question during the test period. The Commission approved this methodology in its
4 September 10, 2008 finding and order in the NOI phase of this case. However, there are
5 unique circumstances present in this case which require that the indicated test-period
6 reserve targets for CSP and OP be adjusted.

7 **Q. Please explain.**

8 A. In April 2008, ODOD filed a supplemental application in Case No. 07-661-EL-UNC
9 *seeking an increase in the CSP and OP USF rider rates initially approved in the*
10 *Commission's December 19, 2007 opinion and order in that case to reflect the correction*
11 *of certain errors in the calculation of the revenue requirements upon which the rider rates*
12 *were based. The Commission, by its finding and order of May 28, 2008, granted the*
13 *supplemental application and directed CSP and OP to replace their existing USF rider*
14 *rates with new rider rates designed to recover the increases in their respective revenue*
15 *requirements resulting from the correction of the errors over the final seven months of the*
16 *2008 collection period. If the CSP and OP USF rider revenue requirements had been*
17 *correctly calculated in the first place, the USF rider rates implemented with the January*
18 *2008 billing cycles would have been higher, which, in turn, would have meant that the*
19 *cash deficit in April 2008, the test-period month with the highest deficit for both CSP and*
20 *OP, would have been lower. Thus, the use of the actual April 2008 deficits as the*
21 *benchmark for the reserve would overstate the reserve requirements for these companies.*

22 **Q. What adjustment have you made to address this issue?**

1 A. I calculated what the initial CSP and OP USF rider rates in Case No. 07-661-EL-UNC
2 would have been had they been based on the correct annual revenue requirements, and
3 applied those restated rates to the January, February, and March 2008 sales volumes to
4 determine the revenues the pro forma revenues the restated rates would have generated
5 had they been in place during those months. I then reduced the April 2008 CSP and OP
6 reserve deficits by the difference between the pro forma revenue at the restated rates and
7 the actual collections for the months in question. The reserve components for CSP and
8 OP shown in Exhibit F to the application reflect this adjustment. The calculation to
9 restate the CSP and OP USF rider rates are shown in attached Exhibits DAS-43 and
10 DAS-44, respectively. The adjustments to the January, February, and March 2008
11 revenues to reflect the restated rates are shown in Exhibits F.1 and F.2 to the application.

12 **Q. What is the purpose of including an allowance for interest in the revenue targets the**
13 **proposed USF riders are designed to meet?**

14 A. Notwithstanding the use of the methodology for establishing the reserve component I
15 have just described, ODOD projects that it will still incur some level of carrying charges
16 under its agreements with the EDUs in certain months because the total revenues
17 earmarked for the reserve will not be fully collected until the end of 2009. Thus, an
18 allowance for this interest expense must be included in the USF rider revenue
19 requirement if ODOD is to have sufficient revenues to fund the low-income customer
20 assistance and consumer education programs and cover the associated administrative
21 costs.

1 Q. Was a component for interest included in developing the revenue requirement upon
2 which the USF riders approved in the previous USF rider adjustment cases were
3 based?

4 A. Yes. The Commission accepted such a component in all prior USF rider adjustment
5 proceedings and again approved this component in its September 10, 2008 finding and
6 order in the NOI phase of this case.

7 Q. How was the proposed allowance for interest calculated?

8 A. As explained in the application, I performed a cash-flow analysis which projected the
9 daily PIPP USF account balances which the proposed riders would produce. I then
10 translated these balances into late payment days and applied the daily carrying charge
11 specified in the various agreements to determine the interest costs ODOD would be
12 expected to incur. The proposed allowance for interest to be reflected in the USF rider of
13 each EDU is shown in Exhibit G to the application. The workpapers supporting these
14 figures are attached to my testimony as Exhibits DAS-15 through DAS-21.

15 Q. The next USF rider revenue requirement element you have identified is an
16 allowance for undercollection. What is the purpose of this component?

17 A. An allowance for undercollection is necessary to recognize that there is a difference
18 between the amount billed through the USF rider and the amount actually collected from
19 customers. If this element is not included in determining the USF rider revenue
20 requirement, the riders will not generate the target revenue.

21 Q. Was an allowance for undercollection built into the current USF riders?

1 A. Yes. The Commission authorized this allowance in all prior USF rider adjustment cases
2 and again approved the inclusion of this element in its September 10, 2008 finding and
3 order in this case. This allowance is identical in concept to the allowance for
4 uncollectibles routinely recognized in utility ratemaking. Because the EDU is merely a
5 conduit for USF rider revenues, the allowance must be incorporated in USF rider itself if
6 the USF rider rates are to produce the required revenues.

7 **Q. How was the proposed allowance for undercollection calculated?**

8 A. As in all prior cases, the allowance was calculated on a company-specific basis so as to
9 reflect the test-period undercollection experience of each EDU. For each reported month,
10 an undercollection percentage was determined by dividing the amount of USF rider
11 revenues actually collected by the EDU by the pro forma revenues as determined by
12 multiplying the Kwh sales for that month by USF rider rate. The resulting average rate of
13 collection was then applied to the pro forma annual rider revenue. The difference
14 between that result and the pro forma annual rider revenue represents the amount the
15 allowance for undercollection is intended to recover on an annual basis. The proposed
16 allowance for undercollection for each EDU is shown in Exhibit H of the application.
17 The workpapers supporting this analysis are attached to my testimony as Exhibits DAS-
18 22 through DAS-28.

19 **Q. The final element of the USF rider revenue requirement that you have identified is**
20 **an allowance for audit costs. Please explain why this element has been included in**
21 **the USF rider revenue requirement proposed by ODOD in this case.**

22 A. This proposed allowance has been included to recover the cost of the EDU audits that

1 will be conducted in 2009 pursuant to the recommendation of the USF Rider Working
2 Group (the "Working Group"). As shown in Exhibit I to the application, ODOD has
3 proposed that an allowance of \$40,000 be included in the revenue requirements of DPL
4 and the FirstEnergy companies (CEI, OE, and TE), the EDUs that will be audited in
5 2009. If no allowance is included, ODOD would be required to utilize USF rider
6 revenues earmarked for other purposes to pay these costs, which could lead to revenue
7 shortfalls that would ultimately translate into an increase in the interest costs ODOD
8 would incur under its agreements with the EDUs.

9 **Q. Has ODOD issued a request for proposals ("RFP") for conducting these audits?**

10 **A.** No. However, ODOD anticipates issuing an RFP within the next few months.

11 **Q. If ODOD does not yet know the amount of these audit costs, what is the basis for the**
12 **proposed allowance for the cost of the audits of the EDUs that will be audited in**
13 **2008?**

14 **A.** The proposed allowance is purely a "guesstimate." However, one should bear in mind
15 that ODOD will true up any difference between the proposed allowance and the actual
16 cost of these reviews in next year's USF rider rate adjustment application.

17 **Q. In Case No. 07-661-EL-UNC, the Commission approved ODOD's proposal to**
18 **include an allowance for EDU audit costs of \$40,000 for each of the AEP companies**
19 **(CSP and OP) and Duke. What costs did ODOD actually incur for these audits**
20 **during the 2008 collection period?**

21 **A.** The contract price proposed by the winning bidder, Schneider Downs, came in at
22 \$83,000, which was the amount actually paid by ODOD in 2008 for this engagement.

1 **Q. If the actual cost of the audits was less than the total allowance for this project built**
2 **into the 2008 USF rider rates of the companies, should not the difference be flowed**
3 **back to EDU ratepayers?**

4 A. Yes, of course. However, no additional adjustment is required to accomplish this result
5 because the December 31, 2008 USF account balance component of the revenue
6 requirement already takes this into account.

7 **Q. Please explain.**

8 A. The projected EDU December 31, 2008 USF account balance component of the revenue
9 requirement captures the difference between actual costs and actual collections. As I
10 previously explained, positive year-end balances are flowed back to ratepayers over the
11 next collection period, while year-end deficits are recovered over the next collection
12 period. Thus, the amount by which allowance collected through the riders to pay for
13 these audits exceeded the actual costs of the project will be returned to the customer over
14 the course of 2009.

15 **Q. In the NOI filed in this docket on June 2, 2008, ODOD stated that, if the Schneider**
16 **Downs findings with respect to Duke and the AEP companies suggested that their**
17 **monthly reimbursement requests overstated the reimbursement to which they were**
18 **lawfully entitled, ODOD would supplement its NOI by proposing a mechanism to**
19 **credit customers appropriately. Has ODOD subsequently supplemented its NOI?**

20 A. No. Although Schneider Downs completed the report detailing the results of its
21 application of agreed-upon procedures to the AEP companies in August 2008, Schneider
22 Downs encountered some unanticipated difficulties in completing the Duke report. As a

1 result, the Duke report has not yet been circulated to members of the Working Group,
2 although ODOD does expect that it will be distributed shortly. Under the agreed process,
3 ODOD will not issue the supplement to the NOI ("Supplement") containing its
4 conclusions and recommendations regarding the findings in the Schneider Downs'
5 reports until after an exit interview at which members of the Working Group will be
6 provided the opportunity to ask questions of Schneider Downs regarding the reports.
7 ODOD will submit the Supplement as soon thereafter as possible. Although ODOD
8 hopes that any issues raised by the Supplement or objections thereto can be resolved in
9 time to incorporate any revenue requirement impact in the amended application that will
10 be filed in this case, this may not be possible.

11 **Q. If issues raised by the Supplement or objections thereto cannot be resolved in time**
12 **to incorporate any impact on the USF rider revenue requirements in the amended**
13 **application, what does ODOD recommend?**

14 **A.** ODOD recommends that the Supplement remain on its own procedural track. If there are
15 issues raised that have revenue requirement implications, the resolution of those issues
16 can be reflected in the supplemental application ODOD will file to address the January 1,
17 2009 increases in EDU rates resulting from the pending ESP proceedings.

18 **Q. What are the results of your USF rider revenue requirements analysis?**

19 **A.** The USF rider revenue requirement analysis for each EDU is summarized in Exhibit I to
20 the application.

21 **Q. How does ODOD propose to recover the annual USF rider revenue requirement for**
22 **each EDU?**

1 A. ODOT proposes to recover the annual USF rider revenue requirement for each company
2 through a USF rider which incorporates the same two-step declining block rate design
3 approved by the Commission in all prior USF rider adjustment proceedings. The
4 Commission again approved this rate design methodology in its September 10, 2008
5 finding and order in the NOI phase of this case.

6 **Q. How did you calculate the proposed rider for each EDU?**

7 As shown in Exhibit J to the application, I began by dividing the respective revenue
8 requirements by the EDU's test-period Kwh sales to determine the per Kwh rate which
9 would apply if the EDU's annual USF rider revenue requirement were to be recovered
10 through a uniform per Kwh rate. The sales information came from each EDU and is
11 attached to my testimony as Exhibit DAS-29 through DAS-35. Under the Commission-
12 approved USF rider rate design methodology, the first block of the rate applies to all
13 monthly consumption up to and including 833,000 Kwh (*i.e.*, one-twelfth of an annual
14 consumption of 10,000,000 Kwh). The second block applies to all consumption above
15 833,000 Kwh per month. The rate per Kwh for the second block is set at the lower of the
16 PIPP rider rate in effect in October 1999 or the per-Kwh rate that would apply if the
17 EDU's annual USF rider revenue requirement were to be recovered through a single
18 block per-Kwh rate, with the for the first block rate set at the level necessary to produce
19 the remainder of the EDU's annual USF rider revenue requirement. In this case, this cap
20 is in play for all the EDUs, so all the proposed rider rates have this declining block
21 feature as shown in the table on page 12 of the application. The workpapers supporting
22 the rate calculations are attached to my testimony as Exhibits DAS-36 through DAS-42.

1 **Q. What do the final three line items (lines 20, 21, and 22) on each of these workpapers**
2 **represent?**

3 A. Line 20 shows the dollar difference per-Kwh between the first block rate under the
4 approved two-tier rate design and a uniform per-Kwh rate. Line 21 expresses this
5 difference as a percentage. Line 23 shows the annual cost impact on the average
6 residential customer of the EDU in question resulting from the use of the declining block
7 rate structure as opposed to a uniform rate per Kwh. As in prior cases, I have presented
8 this analysis purely for informational purposes.

9 **Q. How do the proposed USF riders compare to the current USF riders?**

10 A. The table on page 12 of the application compares the current and proposed rider rates.
11 As indicated in the table on page 5 of the application, the adjusted test-period revenues
12 produced by the current USF riders of DPL, OE, and TE, fall short of their respective
13 indicated revenue targets, while the adjusted test-period revenues produced by the current
14 USF riders of CEI, CSP, Duke, and OP exceed their associated revenue requirement
15 responsibility. Thus, the DPL, OE, and TE rider rates will increase, while the rider rates
16 of the remaining EDU's will go down.

17 **Q. How were the adjusted test period USF rider revenues shown in the table on page 5**
18 **of the application determined?**

19 A. Typically, pro forma test-period revenues are determined by simply applying the current
20 rates to test-period sales volumes, which was the methodology I used to produce the
21 adjusted test-period USF rider revenue figures shown for CEI, DPL, Duke, OE, and TE in
22 the table on page 5 of the application. However, the current CSP and OP rider rates are

1 the rates approved in the Commission's May 28, 2008 finding and order in Case No. 07-
2 661-EL-UNC. As I have explained, these riders were designed to recover the increase in
3 the CSP and OP revenue requirements resulting from correcting the errors identified in
4 ODOD's supplemental application in that case over the final seven months of 2008.
5 Because these rider rates are "seven-month" rates, using these rates to calculate annual
6 test-period pro forma revenues would obviously be inappropriate. To permit a more
7 meaningful comparison to the CSP and OP USF rider revenue targets proposed in this
8 case, the adjusted test-period USF rider revenues for CSP and OP shown on the table on
9 page 5 of the application were determined by applying the "twelve-month" CSP and OP
10 rider rates that would have been in place throughout the 2008 test-period if the CSP and
11 OP revenue requirements approved by the Commission's December 19, 2007 opinion and
12 order in Case No. 07-661-EL-UNC had been correctly determined. As I indicated in
13 discussing the adjustments to the CSP and OP reserve allowances, the derivation of the
14 restated CSP and OP rates are shown in Exhibits DAS-43 and DAS-44 of my testimony.
15 Although the table on page 5 of the application still shows a surplus for both CSP and
16 OP, the use of the current "seven-month" rates would have overstated the surpluses.

17 **Q. Does this conclude your testimony?**

18 **A.** Yes. However, I reserve the right to supplement my testimony after additional actual
19 information becomes available.

Universal Service Fund
Current Rider Mechanism
Cost of PIPP

Company: COLUMBUS SOUTHERN POWER

For Monthly Billing Cycle Ending:

Remittance (Form USF-381-00)

1. USF Rider Collected on All Customers

2. Non-USF Rider Funds

a. Customer Payments

b. Other Customer Payments

c. Agency Payments

3. Total Payments

4. Total Amount of Remittance

5. OCS Admin

6. BPP Program

7. Available Balance (AA-B-C)

8. Reimbursement Due

9. Surplus/Deficit (D-E)

10. Cost of PIPP (Total of E. - Total of A.3.)

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
1. USF Rider Collected on All Customers	\$1,818,745.81	\$1,856,218.55	\$1,854,187.17	\$1,824,745.28	\$1,431,101.50	\$2,145,084.31	\$2,485,704.44	\$2,581,711.78	\$1,141,085.59	\$1,078,888.07	\$813,346.72	\$1,039,349.32	\$20,059,828.75
2. Non-USF Rider Funds													
a. Customer Payments	\$1,204,057.30	\$1,282,245.17	\$1,398,988.21	\$1,450,348.12	\$1,387,703.00	\$1,735,408.14	\$2,164,572.88	\$2,717,303.25	\$2,374,008.83	\$2,781,498.19	\$1,628,633.25	\$1,188,276.06	\$21,301,187.87
b. Other Customer Payments	\$489,367.87	\$485,230.97	\$455,285.88	\$481,723.72	\$488,114.38	\$459,216.76	\$577,802.88	\$653,617.33	\$820,476.69	\$588,788.78	\$478,855.29	\$388,702.21	\$6,821,285.41
c. Agency Payments	\$1,102,434.22	\$1,188,462.74	\$982,189.65	\$923,758.88	\$193,261.13	\$91,243.88	\$29,086.55	\$187,493.51	\$401,325.34	\$140,083.03	\$28,684.38	\$844,787.08	\$4,823,837.16
3. Total Payments	\$2,795,852.49	\$2,955,940.88	\$2,836,363.72	\$2,855,831.73	\$2,064,065.51	\$2,285,868.90	\$2,793,461.31	\$3,558,415.09	\$3,395,809.66	\$3,509,468.97	\$2,137,272.90	\$2,401,765.35	\$32,448,280.44
4. Total Amount of Remittance	\$4,714,008.30	\$4,782,381.03	\$4,690,530.89	\$4,606,577.01	\$3,495,166.02	\$4,390,984.01	\$5,252,188.07	\$6,120,127.88	\$4,538,875.35	\$4,519,178.04	\$3,059,879.62	\$3,148,126.27	\$62,206,208.19
5. OCS Admin	\$26,308.62	\$24,870.55	\$24,652.14	\$24,734.93	\$19,027.38	\$28,520.33	\$33,048.94	\$24,689.90	\$37,488.30	\$33,387.39	\$28,943.81	\$34,074.77	\$346,856.83
6. BPP Program	\$187,508.88	\$175,888.81	\$175,702.87	\$154,910.88	\$155,413.28	\$203,272.32	\$233,448.02	\$242,751.69	\$184,762.49	\$164,838.07	\$147,882.81	\$168,283.38	\$2,177,082.81
7. Available Balance (AA-B-C)	\$4,500,191.80	\$4,581,681.47	\$4,490,176.88	\$4,325,931.21	\$3,245,725.37	\$4,138,171.35	\$4,988,691.11	\$5,852,701.10	\$4,314,713.26	\$4,320,842.48	\$2,877,793.60	\$2,937,767.13	\$49,632,288.15
8. Reimbursement Due	\$4,829,873.71	\$4,848,413.28	\$4,806,904.58	\$4,310,813.79	\$3,333,118.31	\$4,398,124.80	\$4,785,958.04	\$4,950,288.48	\$4,300,285.87	\$4,381,132.22	\$3,082,305.05	\$3,944,301.98	\$50,181,308.21
9. Surplus/Deficit (D-E)	(\$29,681.91)	(\$266,731.81)	(\$316,727.70)	(\$984,882.58)	\$912,607.06	(\$259,953.45)	(\$197,266.93)	(\$124,587.38)	\$14,427.48	(\$60,289.74)	(\$1,204,511.45)	(\$1,006,534.85)	(\$489,016.06)
10. Cost of PIPP (Total of E. - Total of A.3.)													\$18,035,023.77

Cost of PIPP: \$18,035,023.77

Company: OHIO POWER COMPANY

Ohio Power
Current Rider
Cost of PIPP

For Monthly Billing Cycle Ending:												
Rentance (Form USF-301-00)												
1. USF Rider Collected on All Customers												
	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-07	Oct-07	Nov-07	Dec-07
	\$2,302,391.82	\$2,148,328.83	\$2,082,530.43	\$1,820,517.21	\$1,883,708.34	\$2,178,451.31	\$2,408,899.95	\$2,452,751.94	\$1,007,828.49	\$918,458.88	\$869,380.30	\$1,090,063.51
2. Non-USF Rider Funds												
a. Customer Payments	\$1,424,238.49	\$1,532,188.22	\$1,686,481.38	\$1,881,884.08	\$1,873,521.86	\$1,872,394.21	\$2,223,115.04	\$2,487,608.33	\$2,297,487.67	\$2,083,882.22	\$1,788,972.87	\$1,303,374.59
b. Other Customer Payments	\$475,358.53	\$548,835.38	\$548,887.35	\$556,792.53	\$554,934.85	\$551,704.20	\$673,185.97	\$697,420.11	\$578,846.88	\$576,288.84	\$508,420.28	\$400,880.11
c. Agency Payments	\$1,233,680.79	\$1,424,401.14	\$487,815.41	\$586,428.62	\$173,028.38	\$70,811.41	\$86,213.55	\$117,898.10	\$148,254.44	\$97,708.75	\$78,577.85	\$463,688.91
	\$2,133,275.81	\$3,505,224.72	\$2,827,185.16	\$2,984,865.23	\$2,411,508.28	\$2,514,318.12	\$2,982,313.58	\$3,307,824.59	\$3,018,638.88	\$3,387,887.81	\$2,346,870.81	\$2,187,801.51
3. Total Payments												
	\$5,435,887.83	\$5,651,351.55	\$4,709,719.82	\$4,734,802.44	\$4,880,284.67	\$4,882,787.43	\$5,370,815.61	\$5,789,775.60	\$4,020,457.48	\$4,276,308.68	\$3,218,381.11	\$3,237,963.02
4. Total Amount of Rentance												
	\$28,145.09	\$27,169.52	\$29,381.85	\$24,437.67	\$21,124.55	\$27,578.17	\$30,483.24	\$31,843.44	\$38,287.62	\$33,278.73	\$31,289.20	\$38,843.23
5. OCS Admin												
	\$212,986.21	\$198,580.37	\$197,858.46	\$179,585.48	\$154,392.47	\$201,632.27	\$222,777.45	\$228,808.29	\$181,426.80	\$147,882.08	\$140,086.83	\$188,188.12
6. TEE Program												
	\$5,193,324.33	\$5,425,821.65	\$4,491,689.21	\$4,331,588.31	\$3,904,787.68	\$4,483,632.98	\$5,117,354.85	\$5,501,819.77	\$3,822,742.86	\$4,085,038.88	\$3,944,775.88	\$3,030,720.68
7. Available Balance (A5-B-C)												
	\$5,793,932.30	\$5,708,383.98	\$5,778,457.84	\$4,823,484.03	\$4,808,488.72	\$3,487,457.18	\$3,809,179.81	\$4,081,219.85	\$3,488,192.11	\$2,883,312.40	\$3,198,085.70	4,575,824.73
8. Reimbursement Due (Form USF-302-00, Line VI -line VII)												
												\$58,980,458.61
9. Surplus/Shortfall (D-E)												
	(280,487.37)	(258,572.51)	(1,285,768.63)	(291,924.72)	(504,307.88)	(956,095.83)	(1,308,175.04)	(1,420,589.92)	(323,550.83)	(1,241,727.48)	(1,651,230.62)	(1,542,804.07)
10. Cost of PIPP (Total of E - Total of A.3.)												
												\$16,894,088.05

DAS-2

**Universal Service Fund
Current Rider Mechanism
Cost of PIPP**

Company: Duke

For Monthly Billing Cycle Ending:

Remittance (Form USF-301-00)

1. USF Rider Collected on All Customers

2. Non-USF Rider Funds

a. Customer Payments

b. Other Customer Payments

c. Agency Payments

3. Total Payments

4. Total Amount of Remittance

B. OCB Admin 2.88%

1.88%

C. ERP Program 23.14%

17.43%

D. Available Balance (A4-B-C)

E. Reimbursement Due

(Form USF-302-00, Line VI +line VII)

F. Surplus/Deficit (D-E)

G. Cost of PIPP (Total of E - Total of A.3.)

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
1. USF Rider Collected on All Customers	\$2,068,515.84	\$1,841,651.50	\$1,977,841.34	\$1,883,185.53	\$1,537,511.86	\$1,797,474.48	\$2,019,881.03	\$2,074,858.18	\$1,706,226.86	\$1,481,378.38	\$1,255,079.53	\$1,435,880.72	\$29,808,343.99
2. Non-USF Rider Funds													
a. Customer Payments	\$479,332.19	\$516,802.65	\$544,508.38	\$480,228.04	\$494,540.80	\$578,923.08	\$724,352.41	\$822,681.99	\$815,939.98	\$1,104,700.35	\$708,807.38	\$559,439.02	\$8,014,546.09
b. Other Customer Payments	\$177,584.88	\$248,203.34	\$202,507.28	\$202,448.04	\$186,502.58	\$175,103.82	\$205,842.03	\$215,728.97	\$182,874.83	\$237,880.73	\$188,041.02	\$152,404.18	\$2,410,025.70
c. Agency Payments	\$455,978.63	\$1,187,406.11	\$188,717.89	\$278,631.23	\$30,935.29	\$48,007.72	\$42,517.33	\$38,862.18	\$48,396.77	\$35,116.91	\$208,161.69	\$151,332.61	\$2,726,076.32
3. Total Payments	\$1,112,907.68	\$1,553,102.10	\$956,753.35	\$961,307.31	\$743,978.63	\$802,534.75	\$972,811.77	\$1,075,385.05	\$1,148,810.58	\$1,377,297.99	\$1,184,980.07	\$863,076.81	\$13,152,648.11
4. Total Amount of Remittance	\$3,181,423.52	\$3,394,753.60	\$2,934,594.69	\$2,844,472.64	\$2,281,489.69	\$2,600,009.22	\$2,992,672.80	\$3,150,235.23	\$2,853,948.44	\$2,778,674.37	\$2,439,979.60	\$2,298,956.53	\$33,961,992.07
B. OCB Admin 2.88%	\$15,318.18	\$15,317.97	\$14,814.18	\$13,357.28	\$12,128.33	\$14,180.17	\$15,934.56	\$16,589.37	\$15,892.90	\$21,851.95	\$19,838.32	\$21,561.80	\$205,443.81
C. ERP Program 23.14%	\$281,527.58	\$188,758.33	\$182,842.10	\$162,890.87	\$148,788.58	\$155,112.68	\$186,777.82	\$202,154.94	\$251,277.88	\$181,987.18	\$182,988.85	\$188,378.20	\$2,213,387.82
D. Available Balance (A4-B-C)	\$2,984,678.75	\$3,890,277.50	\$2,636,818.95	\$2,478,184.90	\$2,118,573.78	\$2,410,718.48	\$2,779,880.42	\$2,851,731.92	\$2,696,068.47	\$2,576,684.86	\$2,236,154.42	\$2,091,875.53	\$31,541,182.04
E. Reimbursement Due	\$2,781,114.01	\$2,797,674.82	\$2,035,918.07	\$2,070,706.21	\$2,018,181.87	\$2,362,913.58	\$2,805,843.40	\$2,898,803.58	\$3,118,104.77	\$1,800,905.68	\$1,728,871.28	\$2,345,706.30	\$30,507,801.58
F. Surplus/Deficit (D-E)	\$172,565.74	\$892,602.68	\$387,098.12	\$194,681.31	\$109,391.81	\$47,802.90	\$125,982.98	\$155,171.50	\$577,963.70	\$775,777.18	\$472,283.13	\$254,080.77	\$1,033,280.46
G. Cost of PIPP (Total of E - Total of A.3.)													\$17,355,253.47

DAS-3

Company: Dayton Power and Light

DAS-4

**Cleveland Illuminating Company
Current Rider Mechanism
Cost of PIPP**

Company: Cleveland Illuminating Company

For Monthly Billing Cycle Ending:

Remittance (Form USF-301-00)

1. USF Rider Collected on All Customers

2. Non-USF Rider Funds
a. Customer Payments
b. Other Customer Payments
c. Agency Payments

3. Total Payments

4. Total Amount of Remittance

OCB Admin 2.85%

ESP Program 23.14%

22.38%

Available Balance (A4-B-C)

Reimbursement Due

(Form USF-302-00, Line VI plus VII)

Surplus/Shortfall (D-E)

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Annual
1. USF Rider Collected on All Customers	\$1,551,781.62	\$1,477,067.78	\$1,477,563.13	\$1,539,015.89	\$1,227,087.84	\$1,333,326.67	\$1,482,823.67	\$1,561,806.69	\$1,585,690.57	\$1,434,900.78	\$1,336,241.28	\$1,303,504.02	\$17,192,881.55
2. Non-USF Rider Funds													
a. Customer Payments	\$1,285,287.02	\$1,417,788.06	\$1,473,944.60	\$1,489,373.65	\$1,584,447.46	\$1,703,386.42	\$2,338,164.71	\$2,458,217.00	\$2,490,663.52	\$2,380,732.24	\$1,914,244.32	\$1,484,967.55	\$27,278,688.45
b. Other Customer Payments	\$84,418.03	\$58,049.87	\$76,976.10	\$77,581.64	\$100,523.67	\$210,417.37	\$241,653.32	\$225,307.64	\$184,798.33	\$154,745.85	\$185,884.33	\$89,500.23	\$1,690,194.06
c. Agency Payments	\$157,215.77	\$428,278.07	\$108,853.44	\$788,688.33	\$51,482.27	\$73,887.86	\$138,542.81	\$142,081.15	\$98,398.08	\$19,847.58	\$16,482.85	\$286,578.84	\$1,171,896.15
3. Total Payments	\$1,551,938.31	\$1,905,135.95	\$1,747,746.14	\$1,895,653.64	\$1,885,463.10	\$2,087,684.74	\$2,717,580.84	\$2,783,685.79	\$2,774,365.94	\$2,524,735.56	\$2,326,721.20	\$1,780,046.48	\$29,092,778.66
4. Total Amount of Remittance	\$3,083,711.97	\$3,382,193.73	\$3,225,309.27	\$3,307,849.33	\$2,885,550.74	\$3,421,221.41	\$4,200,386.51	\$4,335,472.47	\$4,380,848.48	\$4,369,636.34	\$3,662,962.48	\$3,175,550.50	\$43,235,471.21
OCB Admin 2.85%	\$57,448.19	\$38,885.90	\$30,895.28	\$27,899.19	\$28,883.33	\$27,880.23	\$31,006.30	\$32,448.71	\$43,835.43	\$38,924.85	\$35,258.60	\$37,455.33	\$395,107.37
ESP Program 23.14%	\$189,502.82	\$151,341.84	\$161,285.95	\$148,282.25	\$134,874.03	\$145,840.83	\$161,970.28	\$168,503.65	\$183,868.31	\$186,412.88	\$186,967.99	\$182,378.82	\$1,922,581.68
Available Balance (A4-B-C)	\$2,897,760.86	\$3,189,165.99	\$3,033,971.07	\$3,029,387.89	\$2,725,838.38	\$3,247,780.35	\$4,007,409.43	\$4,133,518.18	\$4,071,944.83	\$4,182,599.62	\$3,470,106.27	\$2,875,584.35	\$40,917,831.95
Reimbursement Due (Form USF-302-00, Line VI plus VII)	\$3,779,413.37	\$3,638,026.13	\$3,960,428.58	\$3,428,853.13	\$2,847,824.28	\$3,185,847.35	\$3,861,707.95	\$4,154,851.39	\$3,491,019.47	\$2,886,697.82	\$2,688,437.34	\$2,201,479.30	\$40,622,456.12
Surplus/Shortfall (D-E)	(\$881,652.51)	(\$648,860.14)	(\$927,457.52)	(\$400,565.24)	(\$121,985.90)	(\$938,067.00)	\$135,691.48	\$278,666.71	\$580,925.36	\$1,295,901.80	\$781,668.93	\$674,104.99	\$295,375.83

Cost of PIPP: \$14,583,678.46

DAS-5

Company: Ohio Edison Company

DAS-6

Company: Toledo Edison

2063055.21

[illegible]

DAS-7

Company:
COLUMBUS SOUTHERN POWER

Universal Service Fund
Projection of December 31, 2008 Balance
Jan 2008 - Dec 2008

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
A. For Monthly Billing Cycle Ending:													
Remittance (Form USF-301-00)													
1. USF Rider Collected on All Customers	\$1,070,745.91	\$1,054,210.55	\$1,054,152.17	\$1,034,745.28	\$1,431,191.50	\$3,145,094.50	\$2,485,704.44	\$2,581,711.79	\$2,600,283.48	\$2,237,285.25	\$2,037,762.00	\$2,329,200.02	\$17,847,887.09
2. Non-USF Rider Funds													
a. Customer Payments	\$1,284,087.40	\$1,312,348.37	\$1,388,388.24	\$1,480,348.13	\$1,387,703.00	\$1,785,003.14	\$2,164,571.88	\$2,717,302.25	\$2,374,088.63	\$2,781,588.13	\$1,878,833.25	\$1,485,276.68	\$17,619,474.81
b. Other Customer Payments	\$398,381.87	\$458,280.57	\$455,285.88	\$481,721.72	\$405,714.38	\$450,718.70	\$572,807.89	\$653,417.33	\$699,474.69	\$588,788.78	\$478,853.39	\$389,706.21	\$3,709,515.16
c. Agency Payments	\$1,162,434.22	\$1,189,282.74	\$1,282,194.85	\$1,237,933.89	\$1,633,491.13	\$3,243,906.06	\$3,080,165.66	\$1,987,485.91	\$4,011,231.34	\$1,401,893.09	\$28,064.35	\$544,787.88	\$28,184,384.48
3. Total Payments	\$2,735,053.40	\$2,920,042.48	\$2,920,278.72	\$2,485,881.23	\$2,007,078.33	\$3,245,889.30	\$2,769,488.43	\$3,568,418.89	\$3,305,898.66	\$3,560,489.87	\$2,127,272.88	\$2,700,276.86	\$19,607,748.46
4. Total Amount of Remittance	\$2,771,409.39	\$2,772,281.02	\$2,790,230.89	\$2,700,927.81	\$2,486,188.82	\$3,290,814.00	\$2,757,760.87	\$3,515,127.88	\$3,398,088.14	\$3,579,779.22	\$2,179,825.54	\$2,425,038.88	\$19,636,882.45
B. OCS Admin	\$28,208.62	\$24,879.45	\$24,862.14	\$21,724.83	\$19,027.36	\$29,570.33	\$33,045.84	\$34,036.50	\$35,248.72	\$73,348.75	\$66,887.13	\$70,331.33	\$2,725,239.38
C. TEE Program	\$187,504.88	\$175,388.04	\$172,782.67	\$154,916.88	\$135,018.28	\$203,272.32	\$235,848.02	\$242,751.59	\$421,013.67	\$362,243.57	\$329,887.08	\$378,873.80	\$21,442,573.64
D. Available Balance (A+B-C)	\$4,500,781.20	\$4,457,882.47	\$4,380,178.08	\$3,822,881.21	\$3,243,528.37	\$4,154,171.26	\$4,883,382.88	\$3,265,318.78	\$3,488,338.74	\$1,682,182.61	\$1,778,251.23	\$1,676,210.85	\$28,618,515.12
E. Reimbursement Due (Form USF-302-00, Line VI +line VII)	\$4,823,873.71	\$4,288,413.28	\$4,260,884.88	\$4,310,913.78	\$3,353,378.31	\$3,838,724.80	\$4,785,860.84	\$4,951,300.48	\$4,398,204.87	\$2,981,132.22	\$3,002,388.65	\$3,944,381.88	\$28,512,258.03
F. Surplus/Deficit (D-E)	\$1328,097.91	\$168,728.81	\$119,293.20	\$511,967.43	\$889,149.06	\$315,446.46	\$107,522.04	\$163,918.30	\$1,089,133.87	\$1,341,050.39	\$85,972.63	\$21,428.97	\$33,654,110.19
G. Cumulative Deficit	\$3,573,385.00	\$3,248,127.80	\$3,435,856.70	\$3,242,833.39	\$3,223,419.29	\$3,512,172.74	\$4,784,458.87	\$3,889,505.57	\$3,770,388.89	\$2,881,122.22	\$2,895,122.22	\$3,944,381.88	\$33,654,110.19

Reserve:
Cap Balance
Min-P Balance
Projected Account Balance:

\$5,242,899.35
\$366,561.10
\$73,815.41
\$430,368.51

Universal Service Fund
Projection of December 31, 2008 Balance
Jan 2008 - Dec 2008

Company: OHIO POWER COMPANY

For Monthly Billing Cycle Ending

Remittance (Form USF-301-08)

1. USF Rider Collected on All Customers

2. Non-USF Rider Funds

a. Customer Payments

b. Other Customer Payments

c. Agency Payments

3. Total Payments

4. Total Amount of Remittance

B. DC's Admin 2.89%

C. TEL Program 2.70%

23.16%

16.90%

D. Available Balance (AA-B-C)

E. Reimbursement Due (Form USF-302-08, Line VI -less USF)

F. Surplus/Deficit at (D-E)

G. Cumulative Monthly Deficit

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
1. USF Rider Collected on All Customers	\$2,302,261.92	\$2,344,328.83	\$2,482,830.45	\$1,826,817.21	\$1,889,788.24	\$2,178,451.31	\$2,408,898.86	\$2,432,791.84	\$2,488,487.40	\$2,188,838.84	\$2,114,825.28	\$2,837,183.87	\$197,561,844.82
2. Non-USF Rider Funds													
a. Customer Payments	\$1,424,218.48	\$1,332,188.22	\$1,588,481.39	\$1,861,884.08	\$1,873,321.95	\$1,922,384.21	\$2,133,118.04	\$2,487,888.25	\$2,209,487.87	\$2,883,892.22	\$1,780,872.87	\$1,303,324.89	\$138,544,178.20
b. Other Customer Payments	\$478,381.83	\$442,803.36	\$548,882.38	\$558,892.43	\$664,884.08	\$671,044.60	\$813,183.87	\$811,024.11	\$578,244.58	\$553,758.54	\$308,155.38	\$430,048.31	\$4,300,175.83
c. Agency Payments	\$1,235,661.79	\$1,424,601.14	\$1,811,815.41	\$2,886,628.82	\$1,738,828.28	\$78,111.41	\$86,113.88	\$117,884.10	\$108,244.44	\$87,788.73	\$76,877.45	\$483,888.31	\$27,888,897.41
3. Total Payments	\$2,138,275.81	\$2,585,224.72	\$2,127,188.18	\$2,864,885.23	\$2,411,506.26	\$2,434,318.12	\$2,862,315.58	\$3,307,824.85	\$2,918,831.89	\$3,357,892.81	\$2,248,870.81	\$1,787,891.81	\$210,787,838.24
4. Total Amount of Remittance	\$2,438,697.83	\$2,457,951.25	\$2,768,710.42	\$2,734,802.44	\$2,489,284.82	\$2,462,781.43	\$2,870,815.87	\$2,758,776.59	\$2,568,548.39	\$2,538,388.23	\$2,481,841.88	\$2,713,054.38	\$218,288,765.10
B. DC's Admin 2.89%	\$708,115.09	\$777,188.62	\$828,581.85	\$854,837.87	\$851,131.95	\$877,578.17	\$909,853.21	\$917,848.44	\$880,112.78	\$878,030.84	\$878,828.74	\$881,882.22	\$2,884,828.84
C. TEL Program 2.70%	\$212,488.21	\$188,508.37	\$182,458.49	\$178,885.49	\$168,382.47	\$201,832.27	\$226,771.45	\$228,308.29	\$181,304.43	\$231,235.53	\$248,782.88	\$409,288.81	\$17,555,792.21
D. Available Balance (AA-B-C)	\$5,183,524.35	\$5,425,821.85	\$9,480,888.51	\$4,557,888.31	\$3,888,787.89	\$2,463,682.89	\$5,117,384.85	\$4,501,416.77	\$8,017,425.20	\$8,188,828.38	\$4,044,835.29	\$4,218,238.44	\$288,188,052.81
E. Reimbursement Due (Form USF-302-08, Line VI -less USF)	\$5,753,822.50	\$5,704,382.89	\$5,179,467.84	\$4,829,894.03	\$3,480,888.72	\$3,487,587.19	\$3,808,178.81	\$4,081,216.35	\$3,488,892.11	\$2,853,112.60	\$3,188,065.70	\$4,573,834.73	\$285,174,802.88
F. Surplus/Deficit at (D-E)	\$369,697.07	\$721,438.96	\$3,991,420.67	\$728,000.28	\$3,988,899.17	\$1,976,095.68	\$1,309,206.04	\$1,299,868.32	\$1,517,437.09	\$1,517,437.09	\$1,517,437.09	\$1,517,437.09	\$2,857,288.25
G. Cumulative Monthly Deficit	\$2,726,588.07	\$2,081,188.28	\$8,288,227.61	\$85,588,851.73	\$5,954,253.85	\$4,188,158.09	\$27,743,882.88	\$1,528,385.03	\$188,854.03	\$2,483,274.02	\$3,381,788.81	\$5,894,480.33	\$2,854,480.33

Reserve: \$ 5,553,861.78
 Projected Account Balance: \$ 2,854,480.33

Universal Service Fund
Projection of December 31, 2008 Balance
Jan 2008 - Dec 2008

Company: Duke

For Monthly Billing Cycle Ending:

A. Remittances (Form USF-301-00)

1. USF Rider Collected on All Customers

2. Non-USF Rider Funds

a. Customer Payments

b. Other Customer Payments

c. Agency Payments

3. Total Payments

4. Total Amount of Remittances

B. OCS Admin 2.05%

C. TEE Program 1.00%

D. Available Balance (A+B-C)

E. Reimbursement Due (Form USF-302-00, Line VI -line VII)

F. Surplus/Deficit (D-E)

G. Monthly Cumulative Deficit

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
1. USF Rider Collected on All Customers	\$2,082,813.84	\$1,841,851.00	\$1,977,847.94	\$1,805,196.83	\$1,537,511.06	\$1,707,474.48	\$2,018,881.03	\$2,074,850.18	\$2,048,321.27	\$1,849,491.27	\$1,644,822.16	\$1,803,455.12	\$100,019,304.85
2. Non-USF Rider Funds													
a. Customer Payments	\$47,332.19	\$510,892.00	\$354,518.30	\$400,718.84	\$404,540.00	\$379,633.08	\$751,392.41	\$332,881.00	\$104,930.00	\$1,104,200.35	\$733,907.38	\$659,439.02	\$47,074,017.15
b. Other Customer Payments	\$17,516.15	\$280,383.30	\$282,007.20	\$282,448.84	\$188,502.58	\$175,103.32	\$208,942.03	\$215,730.97	\$192,274.83	\$237,880.73	\$185,847.07	\$152,104.15	\$14,087,629.48
c. Agency Payments	\$49,978.53	\$1,187,488.11	\$109,717.89	\$278,131.23	\$50,835.25	\$48,807.72	\$49,577.35	\$30,887.18	\$40,394.77	\$39,116.91	\$210,051.09	\$151,933.41	\$17,281,880.78
3. Total Payments	\$1,112,007.88	\$1,853,182.10	\$859,723.38	\$887,207.31	\$743,878.83	\$802,534.73	\$972,811.77	\$1,075,392.85	\$1,448,610.58	\$1,377,282.99	\$1,164,908.07	\$883,078.31	\$79,883,737.45
4. Total Amount of Remittances	\$3,194,821.72	\$3,694,033.10	\$2,837,571.32	\$2,692,404.14	\$2,281,390.00	\$2,510,009.21	\$2,991,692.80	\$3,150,243.03	\$3,496,931.85	\$3,217,764.28	\$2,809,730.13	\$2,686,533.43	\$179,903,042.31
B. OCS Admin 2.05%	\$18,318.18	\$15,317.57	\$12,844.18	\$13,337.28	\$12,139.33	\$14,188.17	\$16,024.66	\$16,388.37	\$13,742.88	\$17,280.87	\$14,855.81	\$12,417.32	\$1,204,048.38
C. TEE Program 23.16%	\$201,527.98	\$189,158.53	\$182,942.10	\$164,956.87	\$148,788.58	\$175,113.60	\$188,777.87	\$202,434.64	\$201,674.58	\$238,006.71	\$213,602.45	\$248,889.58	\$15,822,816.82
D. Available Balance (A+B-C)	\$2,863,875.76	\$3,810,777.50	\$2,850,818.95	\$2,475,164.00	\$2,118,572.78	\$2,410,718.48	\$2,776,888.42	\$2,831,731.82	\$3,871,214.31	\$2,841,077.58	\$2,591,434.50	\$2,462,227.22	\$143,348,810.33
E. Reimbursement Due (Form USF-302-00, Line VI -line VII)	\$2,751,111.04	\$2,787,674.62	\$3,023,918.87	\$2,870,740.24	\$2,018,181.87	\$2,382,419.58	\$2,805,433.48	\$2,818,803.58	\$3,718,183.77	\$1,350,008.88	\$1,785,371.29	\$2,348,708.80	\$102,819,878.58
F. Surplus/Deficit (D-E)	\$112,764.72	\$1,023,102.88	\$826,900.08	\$604,423.76	\$1,100,390.91	\$1,028,298.90	\$971,454.94	\$1,012,928.24	\$1,153,030.53	\$1,491,068.70	\$806,063.21	\$138,518.42	\$72,528,931.75
G. Monthly Cumulative Deficit	(\$1,895,253.89)	(\$802,850.50)	(\$1,089,248.82)	(\$1,384,350.93)	(\$3,282,939.12)	(\$1,235,186.22)	(\$1,287,130.21)	(\$1,916,911.78)	(\$1,383,201.28)	(\$212,930.25)	\$592,632.98	\$729,153.89	

\$2,800,808.55

Reserve:
Projected Account Balance:

\$2,800,808.55
\$729,153.89

Company:
Dayton Power and Light

Universal Service Fund
Projection of December 31, 2008 Balance
Jan 2008 - Dec 2008

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
A. For Monthly Billing Cycle Ending													
Remittance (Form UEP-541-00)													
1. UEP Rider Collected on All Customers	\$1,103,308.93	\$1,065,804.80	\$1,050,447.95	\$919,206.20	\$822,323.44	\$910,306.10	\$1,047,840.17	\$1,086,186.86	\$1,104,007.30	\$988,107.08	\$917,188.33	\$948,061.21	\$75,886,196.77
2. Non-UEP Rider Period													
a. Customer Payments	\$981,869.74	\$738,279.21	\$736,302.28	\$728,697.87	\$682,543.94	\$702,838.42	\$768,018.59	\$781,659.02	\$788,870.82	\$743,662.81	\$1,100,708.26	\$827,333.03	\$73,351,164.08
b. Other Customer Payments	\$43,858.25	\$48,511.51	\$143,315.85	\$74,862.40	\$93,997.71	\$119,385.08	\$143,178.38	\$192,386.03	\$207,783.30	\$182,211.47	\$106,174.81	\$76,471.71	\$18,301,788.65
c. Agency Payments	\$244,512.00	\$108,812.48	\$451,227.09	\$53,624.13	\$13,267.18	\$289,102.78	\$67,310.17	\$99,689.33	\$103,470.71	\$119,086.88	\$63,300.76	\$304,410.88	\$14,214,686.87
3. Total Payments	\$988,034.88	\$874,792.21	\$1,077,445.03	\$855,185.10	\$872,718.43	\$1,397,401.28	\$1,728,506.04	\$2,064,143.39	\$2,027,224.83	\$2,025,869.84	\$1,969,183.84	\$1,222,215.33	\$105,947,639.60
4. Total Amount of Remittance	\$2,085,344.82	\$2,050,307.81	\$2,050,307.81	\$1,777,461.30	\$1,794,986.87	\$2,297,610.38	\$2,777,348.21	\$3,108,132.24	\$3,031,232.13	\$3,014,245.98	\$2,200,387.87	\$2,150,278.54	\$181,543,708.27
B. OCS Admin	\$15,134.87	\$14,488.18	\$14,414.93	\$12,800.96	\$11,280.18	\$12,466.72	\$14,373.87	\$14,616.38	\$21,125.85	\$18,380.51	\$17,351.00	\$78,141.88	\$1,482,148.14
C. TBE Program	\$138,708.38	\$138,708.37	\$138,708.00	\$138,707.28	\$181,880.92	\$112,787.08	\$123,853.32	\$132,108.82	\$128,613.78	\$111,882.11	\$108,861.17	\$119,448.50	\$12,538,961.31
D. Available Balance (A-B-C)	\$1,047,504.02	\$1,885,832.26	\$2,789,817.08	\$1,869,849.08	\$1,891,428.19	\$2,162,344.81	\$2,633,141.28	\$2,887,483.06	\$2,881,482.89	\$2,888,588.28	\$2,075,865.78	\$2,021,869.48	\$167,858,170.85
E. Reimbursement Due	\$2,872,802.89	\$2,840,880.83	\$2,151,718.87	\$2,842,830.19	\$2,067,798.33	\$2,163,248.82	\$2,631,418.04	\$2,882,823.32	\$2,221,147.85	\$1,864,805.02	\$1,955,417.77	\$2,386,803.08	\$188,071,350.92
F. Surplus/Deficit (D-E)	\$1,025,368.84	\$1,025,368.84	\$1,025,368.84	\$1,025,368.84	\$1,025,368.84	\$1,025,368.84	\$1,025,368.84	\$1,025,368.84	\$1,025,368.84	\$1,025,368.84	\$1,025,368.84	\$1,025,368.84	\$1,025,368.84
G. Cumulative Monthly Deficit	\$477,449.28	\$578,110.38	\$648,167.28	\$1,807,838.42	\$2,314,506.58	\$2,314,506.58	\$2,314,506.58	\$2,314,506.58	\$2,314,506.58	\$2,314,506.58	\$2,314,506.58	\$2,314,506.58	\$2,314,506.58

Reserve \$2,314,506.58
Projected Annual Balance (\$483,160.08)

Company: Cleveland Illuminating Company

Per Monthly Billing Cycle Ending:

Residence (Form USP-301-00)

1. User Meter Collected on All Customers

2. Non-User Meter Funds

a. Customer Payments

b. Other Customer Payments

c. Agency Payments

3. Total Payments

4. Total Amount of Residence

5. QOS Admin

6. TIME Program

7. Available Balance (A-B-C)

8. Reconciliation Due

(Form USP-302-00, Line M Minus V)

9. Verification of Total (D-E)

10. Cumulative Monthly Deficit

Universal Service Fund
Projected of December 31, 2008 Balance
Jan 2008-Dec 2008

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
1. User Meter Collected on All Customers	\$1,551,791.08	\$1,477,007.78	\$1,477,007.78	\$1,477,007.78	\$1,477,007.78	\$1,477,007.78	\$1,477,007.78	\$1,477,007.78	\$1,477,007.78	\$1,477,007.78	\$1,477,007.78	\$1,477,007.78	\$162,877,501.34
2. Non-User Meter Funds													
a. Customer Payments	\$1,245,207.03	\$1,417,788.08	\$1,473,014.68	\$1,473,014.68	\$1,473,014.68	\$1,473,014.68	\$1,473,014.68	\$1,473,014.68	\$1,473,014.68	\$1,473,014.68	\$1,473,014.68	\$1,473,014.68	\$159,728,571.86
b. Other Customer Payments	\$44,418.07	\$44,418.07	\$44,418.07	\$44,418.07	\$44,418.07	\$44,418.07	\$44,418.07	\$44,418.07	\$44,418.07	\$44,418.07	\$44,418.07	\$44,418.07	\$5,330,000.28
c. Agency Payments	\$152,215.57	\$429,278.64	\$108,554.44	\$285,891.25	\$54,762.47	\$7,507.26	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$15,595,753.77
3. Total Payments	\$1,441,830.67	\$1,931,484.80	\$1,631,587.20	\$1,803,324.00	\$1,577,835.22	\$1,581,532.11	\$1,579,432.85	\$1,579,432.85	\$1,579,432.85	\$1,579,432.85	\$1,579,432.85	\$1,579,432.85	\$180,653,326.27
4. Total Amount of Residence	\$1,441,830.67	\$1,931,484.80	\$1,631,587.20	\$1,803,324.00	\$1,577,835.22	\$1,581,532.11	\$1,579,432.85	\$1,579,432.85	\$1,579,432.85	\$1,579,432.85	\$1,579,432.85	\$1,579,432.85	\$180,653,326.27
5. QOS Admin	\$32,748.18	\$32,748.18	\$32,748.18	\$32,748.18	\$32,748.18	\$32,748.18	\$32,748.18	\$32,748.18	\$32,748.18	\$32,748.18	\$32,748.18	\$32,748.18	\$3,929,774.18
6. TIME Program	\$160,702.63	\$160,702.63	\$160,702.63	\$160,702.63	\$160,702.63	\$160,702.63	\$160,702.63	\$160,702.63	\$160,702.63	\$160,702.63	\$160,702.63	\$160,702.63	\$19,284,321.59
7. Available Balance (A-B-C)	\$2,881,781.89	\$3,180,883.90	\$3,039,217.47	\$3,039,217.47	\$3,039,217.47	\$3,039,217.47	\$3,039,217.47	\$3,039,217.47	\$3,039,217.47	\$3,039,217.47	\$3,039,217.47	\$3,039,217.47	\$358,000,000.00
8. Reconciliation Due	\$3,770,713.97	\$3,838,328.13	\$3,838,328.13	\$3,838,328.13	\$3,838,328.13	\$3,838,328.13	\$3,838,328.13	\$3,838,328.13	\$3,838,328.13	\$3,838,328.13	\$3,838,328.13	\$3,838,328.13	\$46,060,000.00
9. Verification of Total (D-E)	\$4,642,495.86	\$4,642,495.86	\$4,642,495.86	\$4,642,495.86	\$4,642,495.86	\$4,642,495.86	\$4,642,495.86	\$4,642,495.86	\$4,642,495.86	\$4,642,495.86	\$4,642,495.86	\$4,642,495.86	\$55,340,000.00
10. Cumulative Monthly Deficit	\$1,077,831.07	\$209,770.93	\$209,770.93	\$209,770.93	\$209,770.93	\$209,770.93	\$209,770.93	\$209,770.93	\$209,770.93	\$209,770.93	\$209,770.93	\$209,770.93	\$25,330,000.00

Reserve: \$820,181.72
Projected Account Balance: \$2,175,047.57

Universal Service Fund
Projection of December 31, 2008 Balance
Jan 2008 - Dec 2008

Company: Ohio Edison COMPANY

For Monthly Billing Cycle Ending:

Remittance (Form USF-301-00)

1. USF Rider Collected on All Customers

2. Non-USF Rider Funds

a. Customer Payments

b. Other Customer Payments

c. Agency Payments

3. Total Payments

4. Total Amount of Remittance

OCB Admin 2.99%

TIE Program 3.95%

23.44%

21.56%

Available Balances (44-4-C)

Reimbursement Due

(Form USF-302-00, Line VI -time US)

Surplus/Shortfall (G-4)

Cumulative Monthly Deficit

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
1. USF Rider Collected on All Customers	\$1,135,122.87	\$1,135,122.87	\$1,135,122.87	\$1,135,122.87	\$1,135,122.87	\$1,135,122.87	\$1,135,122.87	\$1,135,122.87	\$1,135,122.87	\$1,135,122.87	\$1,135,122.87	\$1,135,122.87	\$13,621,555.44
2. Non-USF Rider Funds													
a. Customer Payments	\$1,040,486.20	\$1,040,486.20	\$1,040,486.20	\$1,040,486.20	\$1,040,486.20	\$1,040,486.20	\$1,040,486.20	\$1,040,486.20	\$1,040,486.20	\$1,040,486.20	\$1,040,486.20	\$1,040,486.20	\$12,485,835.44
b. Other Customer Payments	\$157,155.74	\$157,155.74	\$157,155.74	\$157,155.74	\$157,155.74	\$157,155.74	\$157,155.74	\$157,155.74	\$157,155.74	\$157,155.74	\$157,155.74	\$157,155.74	\$1,905,869.28
c. Agency Payments	\$247,518.27	\$247,518.27	\$247,518.27	\$247,518.27	\$247,518.27	\$247,518.27	\$247,518.27	\$247,518.27	\$247,518.27	\$247,518.27	\$247,518.27	\$247,518.27	\$2,970,220.28
3. Total Payments	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$29,862,644.40
4. Total Amount of Remittance	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$2,455,150.21	\$29,862,644.40
OCB Admin 2.99%	\$73,418.40	\$73,418.40	\$73,418.40	\$73,418.40	\$73,418.40	\$73,418.40	\$73,418.40	\$73,418.40	\$73,418.40	\$73,418.40	\$73,418.40	\$73,418.40	\$881,020.80
TIE Program 3.95%	\$97,020.80	\$97,020.80	\$97,020.80	\$97,020.80	\$97,020.80	\$97,020.80	\$97,020.80	\$97,020.80	\$97,020.80	\$97,020.80	\$97,020.80	\$97,020.80	\$1,164,265.60
23.44%	\$575,000.00	\$575,000.00	\$575,000.00	\$575,000.00	\$575,000.00	\$575,000.00	\$575,000.00	\$575,000.00	\$575,000.00	\$575,000.00	\$575,000.00	\$575,000.00	\$6,900,000.00
21.56%	\$523,711.81	\$523,711.81	\$523,711.81	\$523,711.81	\$523,711.81	\$523,711.81	\$523,711.81	\$523,711.81	\$523,711.81	\$523,711.81	\$523,711.81	\$523,711.81	\$6,284,462.40
Available Balances (44-4-C)	\$1,081,019.00	\$1,081,019.00	\$1,081,019.00	\$1,081,019.00	\$1,081,019.00	\$1,081,019.00	\$1,081,019.00	\$1,081,019.00	\$1,081,019.00	\$1,081,019.00	\$1,081,019.00	\$1,081,019.00	\$12,962,116.00
Reimbursement Due	\$772,000.00	\$772,000.00	\$772,000.00	\$772,000.00	\$772,000.00	\$772,000.00	\$772,000.00	\$772,000.00	\$772,000.00	\$772,000.00	\$772,000.00	\$772,000.00	\$9,264,000.00
(Form USF-302-00, Line VI -time US)													
Surplus/Shortfall (G-4)	\$313,019.00	\$313,019.00	\$313,019.00	\$313,019.00	\$313,019.00	\$313,019.00	\$313,019.00	\$313,019.00	\$313,019.00	\$313,019.00	\$313,019.00	\$313,019.00	\$3,698,116.00
Cumulative Monthly Deficit	\$772,000.00	\$1,544,000.00	\$2,316,000.00	\$3,088,000.00	\$3,860,000.00	\$4,632,000.00	\$5,404,000.00	\$6,176,000.00	\$6,948,000.00	\$7,720,000.00	\$8,492,000.00	\$9,264,000.00	\$100,368,000.00

Reserve: \$6,882,268.23
 (\$430,233.59)
 Projected Account Balance:

Universal Service Fund
Projection of December 31, 2008 Balance
Jan 2008 - Dec 2008

Company: Toledo Edison

For Monthly Billing Cycle Endings

A. Ramifications (Form UFR-301-00)

1. UFR Rider Collected on All Customers

2. Non-UFR Rider Funds

- a. Customer Payments
- b. Other Customer Payments
- c. Agency Payments

3. Total Payments

4. Total Amount of Ramifications

B. OOS Admin 2.96%

C. TSE Program 23.14%

D. Available Balance (40-8-C)

E. Reimbursement Due (Form UFR-302-00) (Line VI and Line VII)

F. Supplemental (D-3)

G. Cumulative Monthly Deficit

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
1. UFR Rider Collected on All Customers	\$1,177,265.11	\$1,175,713.88	\$1,187,481.28	\$1,047,913.18	\$981,808.22	\$1,072,837.43	\$1,165,075.37	\$1,238,887.05	\$1,223,976.15	\$1,089,447.28	\$1,441,435.42	\$1,104,092.72	\$93,898,808.87
2. Non-UFR Rider Funds													
a. Customer Payments	\$219,528.58	\$217,377.08	\$219,627.08	\$217,431.43	\$217,431.43	\$217,431.43	\$217,431.43	\$217,431.43	\$217,431.43	\$217,431.43	\$217,431.43	\$217,431.43	\$2,608,794.78
b. Other Customer Payments	\$42,387.84	\$42,387.84	\$42,387.84	\$42,387.84	\$42,387.84	\$42,387.84	\$42,387.84	\$42,387.84	\$42,387.84	\$42,387.84	\$42,387.84	\$42,387.84	\$514,294.84
c. Agency Payments	\$122,672.36	\$122,672.36	\$122,672.36	\$122,672.36	\$122,672.36	\$122,672.36	\$122,672.36	\$122,672.36	\$122,672.36	\$122,672.36	\$122,672.36	\$122,672.36	\$1,473,306.88
3. Total Payments	\$384,588.80	\$382,437.26	\$384,687.32	\$382,491.71	\$382,491.71	\$382,491.71	\$382,491.71	\$382,491.71	\$382,491.71	\$382,491.71	\$382,491.71	\$382,491.71	\$4,696,396.50
4. Total Amount of Ramifications	\$1,888,281.81	\$1,888,281.81	\$1,888,281.81	\$1,888,281.81	\$1,888,281.81	\$1,888,281.81	\$1,888,281.81	\$1,888,281.81	\$1,888,281.81	\$1,888,281.81	\$1,888,281.81	\$1,888,281.81	\$22,898,484.13
B. OOS Admin 2.96%	\$19,844.85	\$19,844.85	\$19,844.85	\$19,844.85	\$19,844.85	\$19,844.85	\$19,844.85	\$19,844.85	\$19,844.85	\$19,844.85	\$19,844.85	\$19,844.85	\$238,938.20
C. TSE Program 23.14%	\$188,679.14	\$188,679.14	\$188,679.14	\$188,679.14	\$188,679.14	\$188,679.14	\$188,679.14	\$188,679.14	\$188,679.14	\$188,679.14	\$188,679.14	\$188,679.14	\$2,284,182.81
D. Available Balance (40-8-C)	\$1,758,632.01	\$1,758,632.01	\$1,758,632.01	\$1,758,632.01	\$1,758,632.01	\$1,758,632.01	\$1,758,632.01	\$1,758,632.01	\$1,758,632.01	\$1,758,632.01	\$1,758,632.01	\$1,758,632.01	\$21,903,403.29
E. Reimbursement Due (Form UFR-302-00) (Line VI and Line VII)	\$2,048,381.02	\$2,048,381.02	\$2,048,381.02	\$2,048,381.02	\$2,048,381.02	\$2,048,381.02	\$2,048,381.02	\$2,048,381.02	\$2,048,381.02	\$2,048,381.02	\$2,048,381.02	\$2,048,381.02	\$24,580,563.28
F. Supplemental (D-3)	\$21,728.28	\$21,728.28	\$21,728.28	\$21,728.28	\$21,728.28	\$21,728.28	\$21,728.28	\$21,728.28	\$21,728.28	\$21,728.28	\$21,728.28	\$21,728.28	\$260,738.72
G. Cumulative Monthly Deficit	\$1,688,367.09	\$1,688,367.09	\$1,688,367.09	\$1,688,367.09	\$1,688,367.09	\$1,688,367.09	\$1,688,367.09	\$1,688,367.09	\$1,688,367.09	\$1,688,367.09	\$1,688,367.09	\$1,688,367.09	\$20,283,166.59

Reserve: \$2,518,081.80
 Projected Account Balance: \$381,089.42

CSP
Interest Calculation

Month	Debt	Deficit	Interest	Notes
January	Begin through Dec	(430,366.51)		
	January	231,624.89		
	Begin through Jan	(198,741.61)	\$0.00	Begin through Jan x .000222 X 30
February	Begin through Jan	(198,741.61)		
	February	53,423.65		
	Begin through Feb	(145,317.97)	\$0.00	Begin through Feb x .000222 x 30
March	Begin through Feb	(145,317.97)		
	March	653,530.78		
	Begin through March	508,212.81	\$3,384.70	Begin through March x .000222 x 30
April	Begin through March	511,597.51		
	April	162,931.09		
	Begin through April	674,528.60	\$4,492.36	Begin through April x .000222 x 30
May	Begin through April	679,020.96		
	May	(273,418.93)		
	Begin through May	405,602.03	\$2,701.31	Begin through May x .000222 x 30
June	Begin through May	408,303.34		
	June	(20,720.61)		
	Begin through June	387,582.73	\$2,581.30	Begin through June x .000222 x 30
July	Begin through June	390,164.03		
	July	54,719.24		
	Begin through July	444,883.28	\$2,962.92	Begin through July x .000222 x 30
August	Begin through July	447,846.20		
	August	(623,614.69)		
	Begin through Aug	(175,768.49)	\$0.00	Begin through Aug x .000222 x 30
September	Begin through Aug	(175,768.49)		
	September	(974,342.14)		
	Begin through Sept	(1,150,110.63)	\$0.00	Begin through Sept x .000222 x 30
October	Begin through Sept	(1,150,110.63)		
	October	(2,426,527.79)		
	Begin through October	(3,576,638.42)	0.00	Begin through Oct x .000222 x 30
November	Begin through October	(3,576,638.42)		
	November	(659,418.27)		
	Begin through Nov	(4,236,056.69)	0.00	Begin + Dec x .000222 x 30
December	Begin through Nov	(4,236,056.69)		
	December	35,341.07		
	Begin through Dec	(4,200,715.62)	\$0.00	
		Total Interest:	\$16,122.59	

**OP
Interest Calculation**

DAS-16

Month	Debt	Deficit	Interest	Notes
January	Dec-06 January Begin through Jan	(\$2,934,460.33) \$925,425.44 (\$2,009,034.88)	\$0.00	Begin through Jan x .000222 X 30
February	Begin through Jan February Begin through Feb	(\$2,009,034.88) \$597,362.31 (\$1,411,672.57)	\$0.00	Begin through Feb x .000222 x 30
March	Begin through Feb March Begin through March	(\$1,411,672.57) \$1,589,598.72 \$177,926.15	\$1,184.99	Begin through March x .000222 x 30
April	Begin through March April Begin through April	\$179,111.14 \$387,586.83 \$566,697.97	\$3,774.21	Begin through April x .000222 x 30
May	Begin through April May Begin through May	\$570,472.17 (\$431,521.51) \$138,950.67	\$925.41	Begin through May x .000222 x 30
June	Begin through May June Begin through June	\$139,876.08 (\$475,489.01) (\$335,612.93)	\$0.00	Begin through June x .000222 x 30
July	Begin through June July Begin through July	(\$335,612.93) (\$804,953.68) (\$1,140,566.62)	\$0.00	Begin through July x .000222 x 30
August	Begin through July August Begin through Aug	(\$1,140,566.62) (\$791,924.95) (\$1,932,491.57)	\$0.00	Begin through Aug x .000222 x 30
September	Begin through Aug September Begin through Sept	(\$1,932,491.57) (\$1,016,805.52) (\$2,949,297.09)	\$0.00	Begin through Sept x .000222 x 30
October	Begin through Sept October Begin through Octobe	(\$2,949,297.09) (\$2,044,269.81) (\$4,993,566.89)	\$0.00	Begin through Oct x .000222 x 30
November	Begin through Octobe November Begin through Nov	(\$4,993,566.89) (\$525,306.95) (\$5,518,873.84)	\$0.00	
December	Begin through Nov December Begin through Dec	(\$5,518,873.84) \$687,066.14 (\$4,831,807.70)	\$0.00	
		Total Interest:	\$5,884.61	

**Duke
Interest Calculation**

DAS-17

Month	Debt	Deficit	Interest	Notes
January	Begin through Dec January Begin through Jan	(\$729,153.88) (\$78,859.85) (\$808,013.73)	\$0.00	Begin through Jan x .000222 X 30
February	Begin through Jan February Begin through Feb	(\$808,013.73) (\$808,514.28) (\$1,616,528.01)	\$0.00	Begin through Feb x .000222 x 30
March	Begin through Feb March Begin through March	(\$1,616,528.01) \$463,920.64 (\$1,152,607.37)	\$0.00	Begin through March x .000222 x 30
April	Begin through March April Begin through April	(\$1,152,607.37) \$241,277.54 (\$911,329.84)	\$0.00	Begin through April x .000222 x 30
May	Begin through April May Begin through May	(\$911,329.84) (\$71,486.36) (\$982,816.20)	\$0.00	Begin through May x .000222 x 30
June	Begin through May June Begin through June	(\$982,816.20) (\$6,603.99) (\$989,420.18)	\$0.00	Begin through June x .000222 x 30
July	Begin through June July Begin through July	(\$989,420.18) \$93,687.15 (\$895,733.03)	\$0.00	Begin through July x .000222 x 30
August	Begin through July August Begin through Aug	(\$895,733.03) \$131,338.17 (\$764,394.87)	\$0.00	Begin through Aug x .000222 x 30
September	Begin through Aug September Begin through Sept	(\$764,394.87) \$52,378.89 (\$712,015.98)	\$0.00	Begin through Sept x .000222 x 30
October	Begin through Sept October Begin through Octobe	(\$712,015.98) (\$1,172,969.52) (\$1,884,985.50)	\$0.00	Begin through Oct x .000222 x 30
November	Begin through Octobe November Begin through Nov	(\$1,884,985.50) (\$840,362.09) (\$2,725,347.59)	\$0.00	
December	Begin through Nov December Begin through Dec	(\$2,725,347.59) (\$135,521.96) (\$848,337.32)	\$0.00	
		Total Interest:	\$0.00	

DPL
Interest Calculation

Month	Debt	Deficit	Interest	Notes
January	Begin through Dec	\$466,160.09		
	January	\$449,041.52		
	Begin through Jan	\$915,201.62	\$6,095.24	Begin through Jan x .000222 x 30
February	Begin through Jan	\$921,296.86		
	February	\$499,314.77		
	Begin through Feb	\$1,420,611.63	\$9,461.27	Begin through Feb x .000222 x 30
March	Begin through Feb	\$1,430,072.90		
	March	(\$183,801.17)		
	Begin through March	\$1,246,271.74	\$8,300.17	Begin through March x .000222 x 30
April	Begin through March	\$1,254,571.91		
	April	\$494,503.39		
	Begin through April	\$1,749,075.29	\$11,648.84	Begin through April x .000222 x 30
May	Begin through April	\$1,760,724.14		
	May	(\$78,887.26)		
	Begin through May	\$1,681,836.87	\$11,201.03	Begin through May x .000222 x 30
June	Begin through May	\$1,693,037.91		
	June	(\$495,990.63)		
	Begin through June	\$1,197,047.28	\$7,972.33	Begin through June x .000222 x 30
July	Begin through June	\$1,205,019.61		
	July	(\$668,556.98)		
	Begin through July	\$536,462.63	\$3,572.84	Begin through July x .000222 x 30
August	Begin through July	\$540,035.47		
	August	(\$872,785.03)		
	Begin through Aug	(\$332,749.56)	\$0.00	Begin through Aug x .000222 x 30
September	Begin through Aug	(\$332,749.56)		
	September	(\$1,251,991.04)		
	Begin through Sept	(\$1,584,740.60)	0.00	Begin through Sept x .000222 x 30
October	Begin through Sept	(\$1,584,740.60)		
	October	(\$1,546,730.81)		
	Begin through October	(\$3,131,471.41)	0.00	Begin through Oct x .000222 x 30
November	Begin through October	(\$3,131,471.41)		
	November	(\$612,112.36)		
	Begin through Nov	(\$3,743,583.77)	\$0.00	Begin + Dec x .000222 x 30
December	Begin through Nov	(\$3,743,583.77)		
	December	\$1,486,684.94		
	Begin through Dec	(\$2,256,898.83)	\$0.00	
		Total Interest:	58,251.74	

Interest Calculation

Month	Debt	Deficit	Interest	Notes
January	Begin through Dec	(\$2,126,947.57)		
	January	\$1,038,631.28		
	Begin through Jan	(\$1,088,316.28)	\$0.00	Begin through Jan x .000222 X 30
February	Begin through Jan	(\$1,088,316.28)		
	February	\$583,850.88		
	Begin through Feb	(\$504,465.41)	\$0.00	Begin through Feb x .000222 x 30
March	Begin through Feb	(\$504,465.41)		
	March	\$1,067,222.32		
	Begin through March	\$562,756.92	\$3,747.96	Begin through March x .000222 x 30
April	Begin through March	\$566,504.88		
	April	\$500,644.71		
	Begin through April	\$1,067,149.59	\$7,107.22	Begin through April x .000222 x 30
May	Begin through April	\$1,074,256.81		
	May	\$231,131.81		
	Begin through May	\$1,305,388.62	\$8,693.89	Begin through May x .000222 x 30
June	Begin through May	\$1,314,082.51		
	June	\$50,082.24		
	Begin through June	\$1,364,164.75	\$9,085.34	Begin through June x .000222 x 30
July	Begin through June	\$1,373,250.09		
	July	(\$204,467.05)		
	Begin through July	\$1,168,783.04	\$7,784.10	Begin through July x .000222 x 30
August	Begin through July	\$1,176,567.13		
	August	\$71,186.70		
	Begin through Aug	\$1,247,753.83	\$8,310.04	Begin through Aug x .000222 x 30
September	Begin through Aug	\$1,256,063.87		
	September	(\$415,612.94)		
	Begin through Sept	\$840,450.94	\$5,597.40	Begin through Sept x .000222 x 30
October	Begin through Sept	\$846,048.34		
	October	(\$1,329,983.89)		
	Begin through October	(\$483,935.55)	\$0.00	Begin through Oct x .000222 x 30
November	Begin through October	(\$483,935.55)		
	November	(\$658,401.50)		
	Begin through Nov	(\$1,142,337.05)	\$0.00	Begin + Dec x .000222 x 30
December	Begin through Nov	(\$1,142,337.05)		
	December	\$372,471.27		
	Begin through Dec	(\$769,865.78)	\$0.00	
Total Interest:			\$50,325.94	

OE

DAS-20

Interest Calculation

Month	Debt	Deficit	Interest	Notes
January	Begin through Dec	\$430,233.59		
	January	\$1,898,812.91		
	Begin through Jan	\$2,329,046.50	\$15,511.45	Begin through Jan x .000222 X 30
February	Begin through Jan	\$2,344,557.95		
	February	\$465,260.81		
	Begin through Feb	\$2,809,818.76	\$18,713.39	Begin through Feb x .000222 x 30
March	Begin through Feb	\$2,828,532.15		
	March	\$1,704,930.03		
	Begin through March	\$4,533,462.18	\$30,192.86	Begin through March x .000222 x 30
April	Begin through March	\$4,563,655.04		
	April	\$881,249.26		
	Begin through April	\$5,444,904.30	\$36,263.06	Begin through April x .000222 x 30
May	Begin through April	\$5,481,167.36		
	May	(\$411,635.54)		
	Begin through May	\$5,069,531.82	\$33,763.08	Begin through May x .000222 x 30
June	Begin through May	\$5,103,294.90		
	June	(\$654,255.51)		
	Begin through June	\$4,449,039.39	\$29,630.60	Begin through June x .000222 x 30
July	Begin through June	\$4,478,869.99		
	July	(\$2,136,466.90)		
	Begin through July	\$2,342,203.09	\$15,599.07	Begin through July x .000222 x 30
August	Begin through July	\$2,357,802.17		
	August	(\$1,736,195.24)		
	Begin through Aug	\$621,606.93	\$4,139.90	Begin through Aug x .000222 x 30
September	Begin through Aug	\$625,746.83		
	September	(\$2,198,519.12)		
	Begin through Sept	(\$1,572,772.29)	\$0.00	Begin through Sept x .000222 x 30
October	Begin through Sept	(\$1,572,772.29)		
	October	(\$3,419,307.26)		
	Begin through October	(\$4,992,079.55)	\$0.00	Begin through Sept x .000222 x 30
November	Begin through October	(\$4,992,079.55)		
	November	(\$1,835,084.23)		
	Begin through Nov	(\$6,827,163.78)	\$0.00	Begin + Dec x .000222 x 30
December	Begin through Nov	(\$6,827,163.78)		
	December	\$157,678.97		
	Begin through Dec	(\$6,669,484.81)	\$0.00	
		Total Interest:	\$183,813.42	

**TE
Interest Calculation**

DAS-21

Month	Debt	Deficit	Interest	Notes
January	Begin through Dec	(331,099.42)	885.70	Begin through Jan x .000222 X 30
	January	464,087.61		
	Begin through Jan	132,988.19		
February	Begin through Jan	133,873.89	991.13	Begin through Feb x .000222 x 30
	February	14,944.61		
	Begin through Feb	148,818.50		
March	Begin through Feb	149,809.63	4,397.27	Begin through March x .000222 x 30
	March	510,440.79		
	Begin through March	660,250.42		
April	Begin through March	664,647.69	6,411.77	Begin through April x .000222 x 30
	April	298,080.67		
	Begin through April	962,728.36		
May	Begin through April	969,140.13	4,002.02	Begin through May x .000222 x 30
	May	(368,236.17)		
	Begin through May	600,903.96		
June	Begin through May	604,905.98	1,923.46	Begin through June x .000222 x 30
	June	(316,097.76)		
	Begin through June	288,808.22		
July	Begin through June	290,731.68	0.00	Begin through July x .000222 x 30
	July	(411,675.52)		
	Begin through July	(120,943.83)		
August	Begin through July	(120,943.83)	0.00	Begin through Aug x .000222 x 30
	August	(294,286.64)		
	Begin through Aug	(415,230.47)		
September	Begin through Aug	(415,230.47)	0.00	Begin through Sept x .000222 x 30
	September	(569,419.14)		
	Begin through Sept	(984,649.61)		
October	Begin through Sept	(984,649.61)	0.00	Begin through Oct x .000222 x 30
	October	(1,022,262.16)		
	Begin through October	(2,006,911.77)		
November	Begin through October	(2,006,911.77)	0.00	Begin through Nov x .000222 x 30
	November	(568,168.92)		
	Begin through Nov	(2,575,080.69)		
December	Begin through Nov	(2,575,080.69)	0.00	
	December	74,630.55		
	Begin through Dec	(2,500,450.14)		
Total Interest:			18,611.35	

CSP

Calculation of Allowance for Undercollection

	KWh	KWh sales X USF rider= Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan-08	1,913,383,008	\$1,990,678.25	\$1,978,745.81	99.40%	99.61%
Feb-08	1,920,124,516	\$1,863,258.55	\$1,856,218.55	99.62%	
Mar-08	2,072,231,989	\$1,856,235.70	\$1,854,157.17	99.89%	99.00%
Apr-08	1,727,288,648	\$1,637,354.80	\$1,634,745.28	99.84%	
May-08	1,582,333,899	\$1,434,556.88	\$1,431,101.50	99.76%	
Jun-08	1,759,882,309	\$2,152,540.86	\$2,145,094.51	99.65%	
Jul-08	1,998,028,106	\$2,495,651.21	\$2,485,704.44	99.60%	
Aug-08	2,060,374,545	\$2,574,561.62	\$2,561,711.79	99.50%	
Sep-07	1,930,183,932	\$1,148,988.15	\$1,141,065.59	99.31%	
Oct-07	1,938,846,398	\$1,021,676.95	\$1,018,688.07	99.71%	
Nov-07	1,658,659,518	\$917,799.64	\$913,346.72	99.51%	
Dec-07	1,857,698,472	\$1,044,192.34	\$1,039,349.32	99.54%	
	22,419,035,340	\$20,137,494.95	\$20,059,928.75		

Target Revenue: \$24,320,068.86
 Total Cost:(Target Revenue / 99%) \$24,565,726.12
 Allowance:(Total Cost - Total Revenue) \$245,657.26

OP

Calculation of Allowance for Undercollection

	KWH	KWh sales X current rider = Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan-08	2,608,060,780	\$2,307,893.58	\$2,302,391.82	99.76%	100.08%
Feb-08	2,410,529,684	\$2,148,098.27	\$2,146,326.83	99.92%	99.00%
Mar-08	2,344,191,605	\$2,084,246.10	\$2,082,530.46	99.92%	
Apr-08	2,452,636,431	\$1,930,226.15	\$1,930,517.21	100.02%	
May-08	2,134,575,008	\$1,672,116.17	\$1,668,788.34	99.80%	
Jun-08	2,147,397,297	\$2,185,884.89	\$2,178,451.31	99.66%	
Jul-08	2,482,389,862	\$2,416,902.47	\$2,408,099.95	99.64%	
Aug-08	2,353,886,412	\$2,369,874.04	\$2,452,751.94	103.50%	
Sep-07	2,250,537,378	\$1,005,507.51	\$1,001,828.49	99.63%	
Oct-07	2,314,213,323	\$921,341.16	\$918,450.88	99.69%	
Nov-07	2,065,642,532	\$872,387.69	\$869,390.30	99.66%	
Dec-07	2,553,089,923	\$1,052,481.11	\$1,050,063.51	99.77%	
	28,117,150,235	\$20,966,959.13	\$21,009,591.04		

Target Revenue: \$21,054,731.50
 Total Cost: (Target Revenue / .99) \$21,267,405.56
 Allowance: (Total Cost - Total Revenue) \$212,674.06

Duke

Calculation of Allowance for Undercollection

	KWH	KWh sales X USF rider= Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan-08	1,942,717,131	\$2,091,400.20	\$2,068,615.84	98.91%	98.89%
Feb-08	1,827,754,668	\$1,967,744.65	\$1,941,651.50	98.67%	
Mar-08	1,772,667,337	\$1,899,179.52	\$1,877,841.84	98.88%	
Apr-08	1,623,311,620	\$1,710,278.07	\$1,693,165.53	99.00%	
May-08	1,487,877,304	\$1,554,079.89	\$1,537,511.06	98.93%	
Jun-08	1,732,552,584	\$1,818,039.53	\$1,797,474.49	98.87%	
Jul-08	1,923,236,804	\$2,044,613.14	\$2,019,861.03	98.79%	
Aug-08	1,968,276,817	\$2,100,311.33	\$2,074,850.18	98.79%	
Sep-07	2,119,680,594	\$1,722,372.79	\$1,705,235.86	99.01%	
Oct-07	1,765,164,510	\$1,415,951.07	\$1,401,376.38	98.97%	
Nov-07	1,593,626,762	\$1,268,719.95	\$1,255,079.53	98.92%	
Dec-07	1,789,125,563	\$1,451,330.36	\$1,436,680.72	98.99%	
	21,545,991,694	\$21,044,020.52	\$20,809,343.96		

Target Revenue: \$21,759,207.23
 Total Cost:(Target Revenue / Average Collection) \$22,002,491.50
 Allowance:(Total Cost - Total Revenue) \$243,284.28

DPL

Calculation of Allowance for Undercollection

	KWH	KWh sales X current rider = Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan-08	1,374,260,433	\$1,120,648.16	\$1,103,309.93	98.45%	97.36%
Feb-08	1,319,198,229	\$1,075,747.39	\$1,055,604.60	98.13%	
Mar-08	1,311,554,348	\$1,069,514.14	\$1,050,847.95	98.25%	
Apr-08	1,160,307,516	\$946,179.09	\$919,266.20	97.16%	
May-08	1,047,396,835	\$854,105.46	\$822,323.44	96.28%	
Jun-08	1,153,063,996	\$940,272.32	\$910,209.10	96.80%	
Jul-08	1,322,701,853	\$1,078,604.44	\$1,047,840.17	97.15%	
Aug-08	1,343,297,945	\$1,095,399.63	\$1,066,188.86	97.33%	
Sep-07	1,390,566,415	\$1,183,946.17	\$1,152,072.21	97.31%	
Oct-07	1,210,529,263	\$1,030,660.22	\$996,246.86	96.66%	
Nov-07	1,155,270,068	\$983,611.83	\$950,751.37	96.66%	
Dec-07	1,194,142,544	\$1,016,708.35	\$997,765.98	98.14%	
	14,982,289,445	\$12,395,397.19	\$12,072,426.67		

Target Revenue: \$18,626,655.77
 Total Cost:(Target Revenue / Average Collection) \$19,131,759.84
 Allowance:(Total Cost - Total Revenue) \$505,104.08

CEI

Calculation of Allowance for Undercollection

	KWH	KWh sales X USF rider= Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan-08	1,772,859,428	\$1,572,903.42	\$1,551,781.66	98.66%	99.18%
Feb-08	1,697,795,452	\$1,490,201.03	\$1,477,067.78	99.12%	99.00%
Mar-08	1,692,492,209	\$1,481,932.55	\$1,477,563.13	99.71%	
Apr-08	1,573,126,572	\$1,368,404.24	\$1,339,015.69	97.85%	
May-08	1,415,846,529	\$1,223,199.89	\$1,227,067.64	100.32%	
Jun-08	1,548,001,445	\$1,346,908.26	\$1,333,326.67	98.99%	
Jul-08	1,707,495,458	\$1,497,431.04	\$1,482,825.67	99.02%	
Aug-08	1,772,781,294	\$1,552,089.69	\$1,551,806.68	99.98%	
Sep-07	1,761,031,101	\$1,596,735.54	\$1,585,990.57	99.33%	
Oct-07	1,612,830,787	\$1,454,047.03	\$1,434,500.78	98.66%	
Nov-07	1,507,438,249	\$1,357,026.67	\$1,336,241.26	98.47%	
Dec-07	1,535,133,602	\$1,384,085.30	\$1,385,504.02	100.10%	
	\$19,596,832,126	\$17,324,964.67	\$17,182,691.55		

Target Revenue: \$15,486,526.87
 Total Cost:(Target Revenue / 99%) \$15,642,956.44
 Allowance:(Total Cost - Target Revenue) \$156,429.56

OE

Calculation of Allowance for Undercollection

	KWH	KWh sales X USF rider = Expected Revenue	Rider Collection	Expected Revenue/ Rider Collection	Average Collection
Jan-08	2,282,644,528	\$3,161,510	\$3,158,182	99.89%	100.63%
Feb-08	2,267,886,039	\$3,100,762	\$3,130,889	100.97%	99.00%
Mar-08	2,239,563,950	\$3,058,255	\$3,093,273	101.15%	
Apr-08	2,048,265,242	\$2,789,488	\$2,810,430	100.75%	
May-08	1,837,859,707	\$2,470,573	\$2,516,466	101.86%	
Jun-08	2,047,807,029	\$2,771,849	\$2,809,208	101.35%	
Jul-08	2,223,596,402	\$3,054,304	\$3,065,692	100.37%	
Aug-08	2,319,392,520	\$3,162,779	\$3,201,828	101.23%	
Sep-07	2,342,200,586	\$2,802,179	\$2,805,256	100.11%	
Oct-07	2,110,592,062	\$2,516,671	\$2,516,269	99.98%	
Nov-07	1,982,740,550	\$2,363,475	\$2,359,752	99.84%	
Dec-07	2,133,029,824	\$2,551,770	\$2,552,214	100.02%	
	25,835,578,439	\$33,803,615	\$34,019,459		

Target Revenue: \$44,094,066.89
 Total Cost: (Target Revenue / .99) 44,539,461.50
 Allowance: (Total Cost - Total Revenue) 445,394.62

TE

Calculation of Allowance for Undercollection

	KWH	KWh sales X USF rider= Expected Revenue	Rider Collection	Expected Revenue Rider Collection	Average Collection
Jan-08	918,323,821	\$1,234,586.53	\$1,177,265.11	95.36%	97.72%
Feb-08	915,032,435	\$1,189,552.89	\$1,175,713.88	98.84%	
Mar-08	889,689,458	\$1,174,010.69	\$1,157,491.28	98.59%	
Apr-08	827,759,412	\$1,087,485.31	\$1,041,913.16	95.81%	
May-08	795,248,673	\$991,128.87	\$980,909.82	98.97%	
Jun-08	854,291,050	\$1,100,341.90	\$1,072,937.42	97.51%	
Jul-08	892,273,114	\$1,217,434.54	\$1,165,075.97	95.70%	
Aug-08	946,165,888	\$1,265,237.15	\$1,238,667.05	97.90%	
Sep-07	956,159,181	\$856,689.86	\$853,746.44	99.66%	
Oct-07	857,952,666	\$764,688.71	\$746,685.52	97.65%	
Nov-07	820,418,367	\$731,205.69	\$711,779.51	97.34%	
Dec-07	868,397,715	\$774,770.30	\$769,701.67	99.35%	
	10,541,711,780	\$12,387,132.43	\$12,091,886.83		

Target Revenue: \$14,156,746.38
 Total Cost:(Target Revenue / Average Collection) \$14,486,744.86
 Allowance:(Total Cost - Total Revenue) \$329,998.48

CSP	
KWH Sales	
Past 12 months	
KWh	
Jan-08	1,913,383,008
Feb-08	1,920,124,516
Mar-08	2,072,231,989
Apr-08	1,727,288,648
May-08	1,582,333,899
Jun-08	1,759,882,309
Jul-08	1,998,028,106
Aug-08	2,060,374,545
Sep-07	1,930,183,932
Oct-07	1,938,846,398
Nov-07	1,658,659,518
Dec-07	1,857,698,472
22,419,035,340	

OP
KWH Sales

	Past 12 months KWh
Jan-08	2,608,060,780
Feb-08	2,410,529,684
Mar-08	2,344,191,605
Apr-08	2,452,636,431
May-08	2,134,575,008
Jun-08	2,147,397,297
Jul-08	2,482,389,862
Aug-08	2,353,886,412
Sep-07	2,250,537,378
Oct-07	2,314,213,323
Nov-07	2,065,642,532
Dec-07	2,553,089,923
	28,117,150,235

Duke

KWH

Jan-08	1,942,717,131
Feb-08	1,827,754,668
Mar-08	1,772,667,337
Apr-08	1,623,311,620
May-08	1,487,877,304
Jun-08	1,732,552,584
Jul-08	1,923,236,804
Aug-08	1,968,276,817
Sep-07	2,119,680,594
Oct-07	1,765,164,510
Nov-07	1,593,626,762
Dec-07	1,789,125,563
21,545,991,694	

DPL
KWH Sales

KWH	
Jan-08	1,374,260,433
Feb-08	1,319,198,229
Mar-08	1,311,554,328
Apr-08	1,160,307,516
May-08	1,047,396,835
Jun-08	1,153,063,996
Jul-08	1,322,701,853
Aug-08	1,343,297,945
Sep-07	1,390,566,415
Oct-07	1,210,529,263
Nov-07	1,155,270,068
Dec-07	1,194,142,544
14,982,289,425	

CEI
KWH Sales

KWH	
Jan-08	1,772,859,428
Feb-08	1,697,795,452
Mar-08	1,692,492,209
Apr-08	1,573,126,572
May-08	1,415,846,529
Jun-08	1,548,001,445
Jul-08	1,707,495,458
Aug-08	1,772,781,294
Sep-07	1,761,031,101
Oct-07	1,612,830,787
Nov-07	1,507,438,249
Dec-07	1,535,133,602
19,596,832,126	

OE
KWH Sales

KWH

Jan-08	2,282,644,528
Feb-08	2,267,886,039
Mar-08	2,239,563,950
Apr-08	2,048,265,242
May-08	1,837,859,707
Jun-08	2,047,807,029
Jul-08	2,223,596,402
Aug-08	2,319,392,520
Sep-07	2,342,200,586
Oct-07	2,110,592,062
Nov-07	1,982,740,550
Dec-07	2,133,029,824
	25,835,578,439

TE
KWH Sales

KWH	
Jan-08	918,323,821
Feb-08	915,032,435
Mar-08	889,689,458
Apr-08	827,759,412
May-08	795,248,673
Jun-08	854,291,050
Jul-08	892,273,114
Aug-08	946,165,888
Sep-07	956,159,181
Oct-07	857,952,666
Nov-07	820,418,367
Dec-07	868,397,715
10,541,711,780	

Two-Tiered Rider CSP

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$	0.0014082
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh rate (4)]	\$	0.0001830

Calculation

1	10/99 USF Rider	\$	0.0001830
2	USF Rider Revenue Requirement	\$	24,565,726.12
3	Total kWh Used in Calculation		22,419,035,340
4	Uniform per Kwh rate	\$	0.0010958
5	Accounts with Annual kWh Greater than 10,000,000 kWh		126
6	Total Kwh of Accounts Over 10,000,000 kWh Annually		6,977,424,681
7	First Block Annual kWh (833,334 Monthly)		10,000,000
8	Total kWh in First Block (5) x (7)		1,260,000,000
9	Revenue First Block Rate x (8)	\$	1,774,349.30
10	Total Second Block kWh (6) - (8)		5,717,424,681
11	Lower of 10/99 Rate (1) or Uniform per Kwh rate	\$	0.0001830
12	Second Block Revenue (11) x (10)	\$	1,046,288.72
13	Total First and Second Block Revenue (9) + (12)	\$	2,820,638.01
14	Revenue @ ODOD Proposed Rate (6) x (4)	\$	7,645,534.30
15	Revenue shortfall (13) - (14)	\$	(4,824,896.29)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$	21,745,088.11
17	Adjusted kWh (3) - (6)		15,441,610,659
18	Adjusted First Block Rate (16)/(17)		\$0.0014082
19	Change (18) - (4)	\$	0.0003125
20	% Change		28.5%
21	<u>Annual</u> Cost to Consumer Using 918 kWh per Month (19) x 918 x 12	\$	3.44

Two-Tiered Rider Ohio Power

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0011245
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh rate (4)]	\$ 0.0001681

Calculation

1	10/99 USF Rider	\$ 0.0001681
2	USF Rider Revenue Requirement	\$ 21,267,405.56
3	Total kWh Used in Calculation	28,117,150,235
4	Uniform per Kwh rate	\$ 0.0007564
5	Accounts with Annual kWh Greater than 10,000,000 kWh	197
6	Total Kwh of Accounts Over 10,000,000 kWh Annually	12,791,996,246
7	First Block Annual kWh (833,334 Monthly)	10,000,000
8	Total kWh in First Block (5) x (7)	1,970,000,000
9	Revenue First Block Rate x (8)	\$ 2,215,245.33
10	Total Second Block kWh (6) - (8)	10,821,996,246
11	Lower of 10/99 Rate (1) or Uniform per Kwh rate	\$ 0.0001681
12	Second Block Revenue (11) x (10)	\$ 1,819,177.57
13	Total First and Second Block Revenue (9) + (12)	\$ 4,034,422.90
14	Revenue @ ODOD Proposed Rate (6) x (4)	\$ 9,675,680.85
15	Revenue shortfall (13) - (14)	\$ (5,641,257.95)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 17,232,982.66
17	Adjusted kWh (3) - (6)	15,325,153,989
18	Adjusted First Block Rate (16)/(17)	\$ 0.0011245
19	Change (18) - (4)	\$ 0.0003681
20	% Change	48.7%
21	<u>Annual Cost to Consumer Using 986 kWh per Month (19) x 986 x 12</u>	\$ 4.36

Two-Tiered Rider Duke

Proposal

First Block 833,000 kWh (10,000,000 per Year) (16)	\$ 0.0011652
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh Rate	\$ 0.0004690

Calculation

1	10/99 USF Rider	\$ 0.0004690
2	USF Rider Revenue Requirement	\$ 22,002,491.50
3	Total kWh Used in Calculation	21,545,991,694
4	Uniform per Kwh Rate (2) / (3)	\$ 0.0010212
5	Accounts with Annual kWh Greater than 10,000,000 kWh	142
6	Total Kwh of Accounts Over 10,000,000 kWh Annually	5,877,523,147
7	First Block Annual kWh (833,000 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	1,420,000,000
9	Revenue First Block Rate x (8)	\$ 1,654,619.70
10	Total Second Block kWh (6) - (8)	4,457,523,147
11	Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)	\$ 0.0004690
12	Second Block Revenue (11) x (10)	\$ 2,090,578.36
13	Total First and Second Block Revenue (9) + (12)	\$ 3,745,198.05
14	Revenue @ Uniform per Kwh Rate (6) x (4)	\$ 8,002,051.56
15	Reduction in Total Revenue (13) - (14)	\$ (2,256,853.51)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 18,257,293.45
17	Adjusted kWh (3) - (6)	15,668,468,547
18	Adjusted USF (16)/(17)	\$ 0.0011652
19	Change (18) - (4)	\$ 0.0001440
20	% Change	14.1%
21	<u>Annual</u> Cost to Consumer Using 989 kWh per Month (19) x 989 x 12	\$ 1.71

**Two-Tiered Rider
DPL**

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$	0.0014596
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh Rate	\$	0.0005700

Calculation

1	10/99 USF Rider	\$ 0.0005700
2	USF Rider Revenue Requirement	\$19,131,759.84
3	Total kWh Used in Calculation	14,982,289,425
4	Uniform per Kwh Rate (2) / (3)	\$ 0.0012770
5	Accounts with Annual kWh Greater than 10,000,000 kWh	106
6	Total Kwh of Accounts Over 10,000,000 kWh Annually	4,135,693,202
7	First Block Annual kWh (833,000 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	1,060,000,000
9	Revenue First Block Rate x (8)	\$ 1,547,153.46
10	Total Second Block kWh (6) - (8)	3,075,693,202
11	Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)	\$ 0.0005700
12	Second Block Revenue (11) x (10)	\$ 1,753,145.13
13	Total First and Second Block Revenue (9) + (12)	\$ 3,300,298.59
14	Revenue @ Uniform per Kwh Rate (6) x (4)	\$ 5,281,108.04
15	Reduction in Total Revenue (13) - (14)	\$ (1,980,809.45)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 15,831,461.25
17	Adjusted kWh (3) - (6)	10,846,596,223
18	Adjusted USF (16)/(17)	\$ 0.0014596
19	Change (18) - (4)	\$ 0.0001826
20	% Change	14.3%
21	<u>Annual Cost to Consumer Using 1010 kWh per Month (19) x 1010 x 12</u>	\$ 2.21

**Two-Tiered Rider
CEI**

DAS-40

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0008634
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh Rate (4)]	\$ 0.0005680

Calculation

1 10/99 USF Rider	\$ 0.0005680
2 USF Rider Revenue Requirement	\$ 15,642,956.44
3 Total kWh Used in Calculation	19,596,832,126
4 Uniform per Kwh Rate (2) / (3)	\$ 0.0007982
5 Accounts with Annual kWh Greater than 10,000,000 kWh	150
6 Total Kwh of Accounts Over 10,000,000 kWh Annually	5,821,273,570
7 First Block Annual kWh (833,000 Monthly)	10,000,000
8 Total kWh in First Block (5) x (6)	1,500,000,000
9 Revenue First Block Rate x (8)	\$ 1,295,056.38
10 Total Second Block kWh (6) - (8)	4,321,273,570
11 Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)	\$ 0.0005680
12 Second Block Revenue (11) x (10)	\$ 2,454,483.39
13 Total First and Second Block Revenue (9) + (12)	\$ 3,749,539.77
14 Revenue @ Uniform per Kwh Rate (6) x (4)	\$ 4,646,767.82
15 Reduction in Total Revenue (13) - (14)	(\$897,228.05)

Adjustment to Calculation

16 Adjusted Cost (2) - (9) - (12)	\$ 11,893,416.67
17 Adjusted kWh (3) - (6)	13,775,558,556
18 Adjusted USF (16)/(17)	\$ 0.0008634
19 Change (18) - (4)	\$0.0000651
20 % Change	8.2%
21 <u>Annual</u> Cost to Consumer Using 672 kWh per Month (19) x 672 x 12	\$ 0.53

Two-Tiered Rider Ohio Edison

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0019592
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh Rate	\$ 0.0010461

Calculation

1	10/99 USF Rider	\$ 0.0010461
2	USF Rider Revenue Requirement	\$ 44,539,461.50
3	Total kWh Used in Calculation	25,835,578,439
4	Uniform per Kwh Rate (2) / (3)	\$ 0.0017240
5	Accounts with Annual kWh Greater than 10,000,000 kWh	195
6	Total Kwh of Accounts Over 10,000,000 kWh Annually	8,805,014,719
7	First Block Annual kWh (833,000 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	1,950,000,000
9	Revenue First Block Rate x (8)	\$ 3,820,347.50
10	Total Second Block kWh (6) - (8)	6,655,014,719
11	Lower of 10/99 Rate (1) or Uniform Per Kwh Rate (4)	\$ 0.0010461
12	Second Block Revenue (11) x (10)	\$ 6,961,810.90
13	Total First and Second Block Revenue (9) + (12)	\$ 10,782,158.40
14	Revenue @ Uniform per Kwh Rate (6) x (4)	\$ 14,834,687.08
15	Reduction in Total Revenue (13) - (14)	\$ (4,052,528.69)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 33,757,303.10
17	Adjusted kWh (3) - (6)	17,230,563,720
18	Adjusted USF (16)/(17)	\$ 0.0019592
19	Change (18) - (4)	\$ 0.0002352
20	% Change	13.6%
21	<u>Annual</u> Cost to Consumer Using 800 kWh per Month (19) x 800 x 12	\$ 2.26

Two-Tiered Rider Toledo Edison

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0019049
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh rate	\$ 0.0005610

Calculation

1	10/99 USF Rider	\$ 0.0005610
2	USF Rider Revenue Requirement	\$ 14,486,744.86
3	Total kWh Used in Calculation	10,541,711,780
4	Uniform per Kwh rate	\$ 0.0013742
5	Accounts with Annual kWh Greater than 10,000,000 kWh	66
6	Total Kwh of Accounts Over 10,000,000 kWh Annually	4,822,721,014
7	First Block Annual kWh (833,334 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	660,000,000
9	Revenue First Block Rate x (8)	\$ 1,257,246.30
10	Total Second Block kWh (6) - (8)	4,162,721,014
11	Lower of 10/99 Rate (1) or Uniform per Kwh rate	\$ 0.0005610
12	Second Block Revenue (11) x (10)	\$ 2,335,286.49
13	Total First and Second Block Revenue (9) + (12)	\$ 3,592,532.79
14	Revenue @ ODOT Proposed Rate (6) x (4)	\$ 6,627,531.69
15	Revenue shortfall (13) - (14)	\$ (3,034,998.90)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 10,894,212.08
17	Adjusted kWh (3) - (6)	5,718,990,766
18	Adjusted First Block Rate (16)/(17)	\$ 0.0019049
19	Change (18) - (4)	\$ 0.0005307
20	% Change	38.6%
21	<u>Annual</u> Cost to Consumer Using 769 kWh per Month (19) x 769 x 12	\$ 4.90

Restated 2008 Two-Tiered Rider CSP

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$	0.0014525
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh rate (4)]	\$	0.0001830

Calculation

1	10/99 USF Rider	\$	0.0001830
2	USF Rider Revenue Requirement+Supplemental Requirement	\$	25,103,617.30
	Supplemental Requirement= \$3,976,452		
3	Total kWh Used in Calculation		21,688,469,300
4	Uniform per Kwh rate	\$	0.0011575
5	Accounts with Annual kWh Greater than 10,000,000 kWh		124
6	Total Kwh of Accounts Over 10,000,000 kWh Annually		6,280,500,506
7	First Block Annual kWh (833,334 Monthly)		10,000,000
8	Total kWh in First Block (5) x (6)		1,240,000,000
9	Revenue First Block Rate x (8)	\$	1,801,102.31
10	Total Second Block kWh (6) - (8)		5,040,500,506
11	Lower of 10/99 Rate (1) or Uniform per Kwh rate	\$	0.0001830
12	Second Block Revenue (11) x (10)	\$	922,411.59
13	Total First and Second Block Revenue (9) + (12)	\$	2,723,513.90
14	Revenue @ ODOD Proposed Rate (6) x (4)	\$	7,269,451.75
15	Revenue shortfall (13) - (14)	\$	(4,545,937.85)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$	22,380,103.40
17	Adjusted kWh (3) - (6)		15,407,968,794
18	Adjusted First Block Rate (16)/(17)		\$0.0014525
19	Change (18) - (4)	\$	0.0002950
20	% Change		25.5%
21	<u>Annual</u> Cost to Consumer Using 918 kWh per Month (19) x 918 x 12	\$	3.25

Restated 2008 Two-Tiered Rider Ohio Power

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0014296
Over 833,000 kWh [Lower of 10/99 Rate (1) or Uniform per Kwh rate (4)]	\$ 0.0001681

Calculation

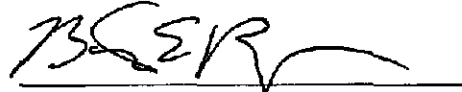
1	10/99 USF Rider	\$ 0.0001681
2	USF Rider Revenue Requirement+Supplemental Requirement	\$ 28,489,982.27
	Supplemental Requirement= \$2,824,962	
3	Total kWh Used in Calculation	27,324,354,515
4	Uniform per Kwh rate	\$ 0.0009695
5	Accounts with Annual kWh Greater than 10,000,000 kWh	197
6	Total Kwh of Accounts Over 10,000,000 kWh Annually	11,936,988,536
7	First Block Annual kWh (833,334 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	1,970,000,000
9	Revenue First Block Rate x (8)	\$ 2,816,362.06
10	Total Second Block kWh (6) - (8)	9,966,988,536
11	Lower of 10/99 Rate (1) or Uniform per Kwh rate	\$ 0.0001681
12	Second Block Revenue (11) x (10)	\$ 1,675,450.77
13	Total First and Second Block Revenue (9) + (12)	\$ 4,491,812.84
14	Revenue @ ODOD Proposed Rate (6) x (4)	\$ 11,572,482.51
15	Revenue shortfall (13) - (14)	\$ (7,080,669.67)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 21,998,169.43
17	Adjusted kWh (3) - (6)	15,387,365,979
18	Adjusted First Block Rate (16)/(17)	\$ 0.0014296
19	Change (18) - (4)	\$ 0.0004602
20	% Change	47.5%
21	<u>Annual Cost to Consumer Using 986 kWh per Month (19) x 986 x 12</u>	\$ 5.44

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing application has been served upon the following parties by first class mail, postage prepaid, this 31st day of October 2008.


Barth E. Royer

Marvin I. Resnik
AEP Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215

Randall Griffin
Edward N. Rizer
The Dayton Power & Light Company
MacGregor Park
1065 Woodman Avenue
Dayton, Ohio 45432

Paul Colbert
Duke Energy Ohio, Inc.
155 East Broad Street
Columbus, Ohio 43215

Kathy Kolich
FirstEnergy Corp.
76 South Main Street
Akron, Ohio 44308

Janine Migden-Ostrander
Ann Hotz
Ohio Consumers' Counsel
10 West Broad Street
Suite 1800
Columbus, Ohio 43215-3485

Samuel C. Randazzo
Gretchen J. Hummel
McNees, Wallace & Nurick
Fifth Third Center
Suite 910
21 East State Street
Columbus, Ohio 43215

David C. Rinebolt, Esq.
Ohio Partners for Affordable Energy
PO Box 1793
Findlay, Ohio 45839-1793